

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1984

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

FIRST SESSION

ON

H.R. 3135

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1984, AND FOR OTHER
PURPOSES.

U.S. SENATE
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Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1983

17-462 O

5181-37

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(III)

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1984

WEDNESDAY, APRIL 13, 1983

U. S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 9:10 a.m. in room S-128, the Capitol, Hon.
Alfonse M. D'Amato (chairman) presiding.

Present: Senator D'Amato.

U.S. SENATE

OFFICE OF THE SECRETARY OF THE SENATE

STATEMENT OF HON. WILLIAM F. HILDENBRAND, SECRETARY OF THE
SENATE

ACCOMPANIED BY:

MARILYN COURTOT, ASSISTANT SECRETARY OF THE SENATE
STUART BALDERSON, FINANCIAL CLERK

CHAIRMAN'S OPENING STATEMENT

Senator D'AMATO. The Subcommittee on the Legislative Branch will
come to order.

It is my privilege to open hearings on the budget request for the legislative branch this year, my first as chairman of the Subcommittee on the Legislative Branch. I actively sought this chairmanship because of its importance in providing funding for one entire branch of our tripartite government. I look forward to working with members of the subcommittee, and with our witnesses, to insure that essential legislative branch activities are adequately funded. We must also insure, however, that the legislative branch is not exempt from the tight fiscal practices necessary throughout the Federal Government.

In fact, the legislative branch has been under tight fiscal constraints since the need for controlling Federal spending was first enunciated by President Reagan. For example, in Public Law 97-12, enacted barely 5 months after the President's inauguration, the Senate reduced its own fiscal year 1981 appropriations by 10 percent under the fiscal year 1980 level, and returned \$46 million in prior-year appropriations to the Treasury. More recently, annual appropriations for the entire legislative branch for fiscal year 1983 were \$30 million under the fiscal year 1982 level.

The budget request for the legislative branch for fiscal year 1984 is \$1,496,000,000. This compares with \$1,335,000,000 enacted thus far for fiscal year 1983. Supplemental fiscal year 1983 requests presently before the subcommittee total nearly \$87 million, equally divided between pay and program supplementals. In addition, the subcommittee expects transmission shortly from OMB of two supplementals submitted by the Architect of the Capitol for major Capitol Hill restoration projects. First, in fiscal year 1982, the Architect was appropriated \$1.2 million to develop plans for restoration of the two older Library of Congress buildings, including the incomparable Jefferson Building. The result is a comprehensive 5-year \$72 million plan for restoration of the two buildings and for personnel moves during restoration.

Second, the Architect is requesting \$73 million for extension of the West Central Front of the Capitol. There is considerable sentiment in the Congress that we have seen enough delay on the reconstruction of the West Front. It is a disgrace that a major portion of our Nation's Capitol Building is in such terrible condition. The Commission on the West Central Front has recommended that Congress provide funding for the West Front in the near future. The delay over the years has not been because of a disagreement over the condition of the West Central Front, but rather a fundamental difference of opinion on whether the West Central Front should be restored in its present configuration, or extended 37 feet to the west. The Architect clearly favors extension. The Commission did not make a formal recommendation on extension versus restoration at their March 15 meeting, but a majority of the members present at that meeting clearly favored restoration. This issue is likely to be the most contentious the subcommittee will deal with in the coming year.

The subcommittee will explore both these major building projects with the Architect of the Capitol, and to a lesser degree with the Librarian of Congress.

Today's hearing opens with our traditional leadoff witness, the Secretary of the Senate, the Honorable William F. Hildenbrand. Completing our testimony on the Senate's budget will be the Sergeant at Arms, the Honorable Howard S. Liebengood. We will then turn to the first witness from a congressional support agency, Comptroller General Charles Bowsher.

Our hearings continue Friday, March 15 at 9 a.m. with testimony from the Director of the Office of Technology Assessment and the Director of the Congressional Budget Office.

On Tuesday, April 19 at 10 a.m., our witnesses will be the Public Printer, the Librarian of Congress, and the Chairman of the Copyright Royalty Tribunal.

We will conclude our hearings on April 28 with testimony from the Architect of the Capitol.

INTRODUCTION OF WITNESS

Without further ado, we will call our first witness.

Mr. Secretary, it is good to see you. I extend you warm regards and wishes.

Mr. HILDENBRAND. Thank you, Mr. Chairman. I am delighted to be here this morning and to have the opportunity to testify before the subcommittee. I have with me the Assistant Secretary of the Senate, Marilyn Courtot, and the Financial Clerk, Stuart Balderson.

I appear before you this morning, Mr. Chairman, in the dual capacity as the Disbursing Officer of the Senate to testify regarding the Senate's overall budget, and second, as the Secretary of the Senate to testify on behalf of my own budget.

First let me talk about the Senate's budget as a whole.

U.S. SENATE BUDGET

The U.S. Senate supplemental budget estimates for fiscal year 1983 total \$9,474,000. This amount has been incorporated into the fiscal year 1984 budget estimate. Therefore, I am considering these supplemental requests as being enacted only for the purpose of my presentation to your committee.

The Senate budget estimate for fiscal year 1984, as reflected in the Budget of the U.S. Government, and as presented today, totals \$255,496,000. This estimate includes regular Senate items which total \$251,379,000 and Senate joint items totaling \$4,117,000. The figures represent an increase of \$12,907,000 over the previous fiscal year.

I would also like to point out that due to the enactment of Public Law 98-21, the Disbursing Office is now in the process of determining an estimate of the number of employees who will be covered by social security during fiscal year 1984 and the cost of agency contributions for these employees. When these estimates are complete, they will be furnished, of course, to your committee.

That takes care of the Senate's portion, and I would like to turn now to my own budget, if I may, Mr. Chairman.

OFFICE OF THE SECRETARY

The total request for the Office of the Secretary of the Senate is \$6,994,000, representing an increase of \$803,000 over the previous fiscal year. However, \$528,000 of that amount is currently being spent by the Senate for items which are carried in other appropriation accounts or which were not previously identified as expenditures by our Office from the contingent fund.

I believe that we have now identified all categories of expenditures from the contingent fund relating to the Secretary's Office and have taken the final steps to make our budget submission truly reflect the expenditures of the Office.

LONGEVITY

This year both the Sergeant at Arms and I are requesting the elimination of the longevity program. I do not believe that it is a good management policy to have automatic pay increases merely based on time in a

position. Furthermore, since we now have lump sum authority, we can set salaries and make pay raises as they are warranted.

The longevity program, like the merit program, is no longer needed. Since our staff members are already receiving this pay, we need to transfer the funding from the current program from "Agency contributions and longevity compensation" to "Salaries, officers and employees." I have projected an expenditure of \$450,000 for longevity in this year's budget and request elimination of the program as it now exists.

NEW FUNDING

We are also requesting \$275,000 in new funds or an increase in our budget of 4 percent. Of this amount, \$265,000 is for proposed pay raises for personnel, most of whom have been limited to small cost-of-living increases over the last few years.

Also, now that we can use the services of the Senate Photographic Studio, we anticipate saving 75 percent on photographic processing. However, because of the previous high costs associated with this photographic work, our project to collect likenesses of all current and former Senators has been moving slowly. We are asking for a \$1,000 increase and hope that, with the combined effect of reduced costs and increased funding, we can complete the task in fiscal year 1984.

In addition, I am requesting a \$2,000 increase for on-line information services in the Senate library. We are becoming increasingly dependent on computer data bases to find the information Senate offices need and, considering the size and demands of our clientele, our existing budget is modest. We are constantly looking for ways to cut expenses and succeeded in saving money last year by subscribing to one service under the auspices of the Federal Library Committee.

Our final request is for an increase to our stationery allowance. Now that all items previously dispensed at no direct charge to offices by the Sergeant at Arms have been transferred to the Stationery Room, we need additional funds to cover the cost. For example, the Disbursing Office staff estimates that they use \$4,000 worth of file folders, adding machine tapes, and the like. The \$7,000 increase is what we estimate our needs will be for these stationery items for all departments under the Secretary's jurisdiction.

STATIONERY ROOM

During November 1982, the Stationery Room moved from the Russell Building to the basement of the Dirksen Building.

It was also agreed that we would accept and sell merchandise previously dispensed by the Sergeant at Arms. We took control of these items in January 1983, and made them available for sale at that time. Concurrently, with the approval of the Rules Committee, we eliminated the practice of issuing free the following items: referral slips, document registers, blue divider sheets, manila memo pads, and brown wrapping paper. We estimate that this change has reduced the annual charges against the congressional printing and binding account at the Government Printing Office by about \$23,500.

DISBURSING OFFICE

Another of our offices to move was the Disbursing Office. The most significant benefit to us was the consolidation of Disbursing Office personnel in the new Hart Building. It has helped to make our operation more efficient and made internal management more effective.

Since my last appearance before this committee, considerable time and effort has been expended to develop a replacement payroll system. The final evaluation and recommendation of a software package was completed in January 1982. As a result, Integral Systems, Inc., was awarded this contract. The contract was formally approved and signed by the Committee on Rules and Administration in February 1982. The software was received in March and orientation commenced on April 1.

The project has not been without problems and there have been setbacks, most importantly the need to revise the completion date. But there has been significant progress as well. The project team now possesses a far greater understanding of the ISI system and, as a result, is in a much better position to make crucial decisions as to how the system can best be utilized to serve the Senate. I believe with the interest and support of the Rules Committee and the Sergeant at Arms and his staff, we will be able to achieve our goal of developing a truly comprehensive and flexible payroll system that will serve the ever-changing needs of the Senate for many years to come.

DOCUMENT ROOM

And finally, Mr. Chairman, the Document Room was the third department to move, and on January 12, 1983, it was operational in the Hart Building. The facility is a significant improvement over the area we occupied in the Capitol. All of the documents are stored in one large room, part of which utilizes track shelving to maximize space. We are actually occupying less space now than we did in the Capitol. The counter area is three times as large as our previous area and makes service to Senate staff and the public more efficient.

PREPARED STATEMENT

Mr. Chairman, my summary has highlighted the new items we are requesting and the major relocations of several of our offices. I ask that my full statement detailing the activities of the Secretary's Office appear in the hearing record.

Of course, I am available for any questions that you might have, Mr. Chairman.

Senator D'AMATO. Without objection, your prepared statement will appear at this point in the record.

[The statement follows:]

STATEMENT OF WILLIAM F. HILDEBRAND

Mr. Chairman, thank you for inviting me here today to present my fiscal year 1984 budget request. (See Exhibit 1.) The total request for the Office of the Secretary of the Senate is \$6,994,000. This represents an increase of \$803,000 over the previous fiscal year. However, \$528,000 of the amount is currently being spent by the Senate for items which are carried in other appropriation accounts, or which were not previously identified as expenditures by our office from the Contingent Fund.

I believe that we have now identified all categories of expenditures from the Contingent Fund relating to the Secretary's Office and have taken the final steps to make our budget submission truly reflect the expenditures of the office.

LONGEVITY

This year both the Sergeant at Arms and I are requesting the elimination of the longevity program. I do not believe that it is a good management policy to have automatic pay increases merely based on time in a position. Furthermore, since we now have lump sum authority, we can set salaries and make pay raises as they are warranted.

The longevity program, like the merit program, is no longer needed. Since our staff members are already receiving this pay, we need to transfer the funding for the current program from "Agency Contributions and Longevity Compensation" to "Salaries, Officers and Employees." I have projected an expenditure of \$450,000 for longevity in this year's budget and request elimination of the program as it now exists.

NEW FUNDING.

We are requesting \$275,000 in new funds or an increase in our budget of 4 percent. Of this amount, \$265,000 is for proposed pay raises for personnel, most of whom have been limited to small cost of living increases over the last few years.

Now that we can use the services of the Senate Photographic Studio, we anticipate saving 75 percent on photographic processing, however, because of the previous high costs associated with this photographic work, our project to collect likenesses of all current and former Senators has been moving slowly.

We are asking for a \$1,000 increase and hope that with the combined effect of reduced costs and increased funding, we can complete the task in fiscal year 1984.

In addition, I am requesting a \$2,000 increase for online information services in the Senate Library. We are becoming increasingly dependent on computer databases to find the information Senate offices need and, considering the size and demands of our clientele, our existing budget is modest. We are constantly looking for ways to cut expenses, and succeeded in saving money last year by subscribing to one service under the auspices of the Federal Library Committee.

Our final request is for an increase to our stationery allowance. Now that all items previously dispensed at no direct charge to offices by the Sergeant at Arms have been transferred to the Stationery Room, we need additional funds to cover the cost. For example, the Disbursing Office staff estimated that they use \$4,000 worth of file folders, adding machine tapes, etc. The \$7,000 increase is what we estimate our needs will be for these stationery items for all departments under the Secretary's jurisdiction.

STATIONERY ROOM

During November 1982, the Stationery Room moved from the Russell Building to the basement of the Dirksen Building. The new facility has a salesroom of approximately 3,300 square feet with an adjacent storeroom of 2,200 square feet. In addition, the department now has administrative offices and an area designed for the bookkeepers and computer hardware. It was decided that in order to provide better service, additional computer equipment was necessary. Therefore, a disc drive, a line printer, four video display terminals, a label printer and several ruby wands have been purchased and were installed at the end of the year.

Our employees worked weekends and many extra hours transferring merchandise from the old location to the new one. Not only was it necessary to set up the display area for clientele as quickly as possible, but the stockroom had to be organized and all incoming merchandise had to be labeled and shelved, plus computer equipment installed, all of which was done within five days.

It was also agreed that we would accept and sell merchandise previously dispensed by the Sergeant at Arms. We took control of these items in January

1983, and made them available for sale at that time. Concurrently, with the approval of the Rules Committee, we eliminated the practice of issuing free, the following items: referral slips, document registers, blue divider sheets, manila memo pads, and brown wrapping paper. We estimated that this change has reduced the annual charges against the Congressional Printing and Binding Account at the Government Printing Office by \$23,500. (See Exhibit 2.)

In addition to those supplies taken over from the Sergeant at Arms, we have stocked the following items: film, flash cubes, carry-on luggage and garment bags, luggage carriers and travel kits. We have also expanded the line of matched leather desk top accessories. Since we now have adequate shelf space and can place certain items like film in a controlled area, we were able to add several items which have been requested by Senate offices for a number of years.

Even though most of our problems have been eased with the new facility, there is still lack of sufficient storage space. We will have to retain our storeroom in the Russell Building, or its equivalent, for bulk items such as skids of Xerox and bond paper, legal pads and memo pads.

In summary, the Stationery Room completed fiscal year 1982 with gross sales of \$2,323,870, an increase of \$343,766 from fiscal year 1981. Total combined cash and charge sale tickets issued during the year amounted to 75,792.

DISBURSING OFFICE

Another of our offices to move was the Disbursing Office. The most significant benefit to us was the consolidation of Disbursing Office personnel in the new Hart Building. It has helped to make our operation more efficient and made internal management more effective.

The move itself was a monumental undertaking and was accomplished with only minimal interruption of the services provided by our office to the Senate. The new facilities have provided our staff with an excellent work environment, which has already created higher employee morale. It should also be pointed out that this move could not have been completed as efficiently as it was without the complete cooperation and dedication of the entire Disbursing Office staff.

Since my last appearance before this committee, considerable time and effort has been expended to develop a replacement payroll system. The final evaluation and recommendation of a software package was completed in January 1982. As a result, Integral Systems Incorporated (ISI) was awarded this contract. The contract was formally approved and signed by the Committee on Rules and Administration in February 1982. The ISI software was received in March and orientation and training commenced on April 1.

As was agreed at the outset of this project, the Disbursing Office was to provide one staff member on a full-time basis to assist the project team and to ensure that the systems and procedures under development would serve the best interest of the Disbursing Office and the Senate. To accomplish this, it was decided to detail the Supervisor of the Payroll Department to act in this capacity.

However, the project has not been without problems and there have been setbacks, most importantly the need to revise the completion date. But there has been significant progress as well. The project team now possesses a far greater understanding of the ISI System and, as a result, is in a much better position to make crucial decisions as to how the system can best be utilized to serve the Senate. An additional consultant was hired to analyze the project, offer recommendations to assist in overcoming some of the problems that have developed, and provide a better understanding of the ISI capabilities in the Senate environment. This report was delivered on December 28, 1982 and the majority of the recommendations have been adopted. I believe with the interest and support of the Rules Committee and the Sergeant at Arms and his staff, we will be able to achieve our goal of developing a truly comprehensive and flexible payroll system that will serve the ever-changing needs of the Senate for many years to come.

Procedures were initiated to acquire a Burroughs L-9000 accounting machine to complement our present accounting machine. This action was necessitated by the increase in the number of vouchers being processed for payment, as well as our need to provide adequate support in the event of machine failure.

The Disbursing Office has made numerous changes to the existing payroll system in 1982 to handle cost-of-living salary adjustments, to eliminate redundancy in the Report of the Secretary, to implement procedures for the

Medicare Tax, to remove the 1/12 limitation from Senators' Official Office Expense Account, etc. The demands on our staff were extensive and with two open seasons for health benefits and major changes in the retirement program, our staff worked hard to maintain the level of service expected by Senate personnel.

DOCUMENT ROOM

The Document Room was the third department to move and, on January 12, 1983, it was operational in the Hart Building. The facility is a significant improvement over the area we occupied in the Capitol. All of the documents are stored in one large room, part of which utilizes track shelving to maximize space. We are actually occupying less space now than we did in the Capitol. The counter area is three times as large as our previous area and makes service to Senate staff and the public more efficient.

As with the other moves, our staff worked very diligently to ensure that the Document Room was closed only two days. Approximately 4,000 cartons of documents were packed by our staff, delivered by the Superintendent's Office, and then unboxed and refiled by Document Room personnel. It was a big undertaking for all of us and we couldn't have done it without the able assistance of the Architect's personnel. They were helpful with all the moves and provided much needed help during the design and construction of all our new facilities.

LEGISLATIVE DEPARTMENTS

For most of the legislative personnel, the last year was relatively uneventful. The Senate Calendar of Business has been revised further to show the Senate Members of the joint committees of the Congress. Also, on June 15, 1982, the Government Printing Office started printing the Calendar by a new electronic method. The finished product under this new system is very impressive and, overall, is superior to the previous method.

The Senate Bill Clerk has been completely trained to perform as a backup Legislative Clerk. Beginning in the 98th Congress, we will start training another one of our staff (familiar with the legislative process) as a backup Legislative Clerk. Continuity of experience at any of the important desk positions is vital to maintaining smooth operations in the Senate Chamber.

The computerization of the precedents is a continuing innovation in the Parliamentarian's Office, and as the body of precedents in the computer file

grows, it becomes more and more valuable. Indeed, only recently the Chair was questioned with regard to a parliamentary ruling involving the debatability of a motion to waive section 311 of the Budget Act and within moments a computer printout of the precedent underlying the ruling was available and shown to the Senators, which appeared to satisfy their concerns about the ruling.

The many changes, improvements, and innovations of the previous five years have proved fruitful in the daily process of recording the minutes of the Senate proceedings and preparation of the Senate Journal. The Government Printing Office has, on the whole, maintained a good schedule of returning galley proofs and page proofs of the Senate Journal, however, occasionally the printing process falls behind due to other priorities.

The computer printout used in the preparation of the "History of Bills" section of the Journal is now substantially free of errors due to certain modifications in the programming of the data entered in the LEGIS system.

To assist in delivering official papers from the Senate Chamber to the other clerks in the Secretary's Office, a Republican page has been assigned the task of conveying these papers. This has eliminated the long periods of time during which neither official papers nor floor privilege requests were delivered to the appropriate personnel. The latter was an inconvenience to Senators, who often came up to the rostrum and complained because a staff member had not yet been admitted to the floor. The problem of official papers awaiting delivery was a major one - these documents must be processed by the Morning Business Clerk and the Bill Clerk and sometimes papers must either be delivered to committees of conference, or be sent to the Enrolling Clerk to be subsequently delivered to the House of Representatives.

There have been further refinements in the computer programs relating to nominations during the second session. A major part of the military nomination lists have been supplied on tape for the Senate computer system and utilized in automatic printing of committee referral and report copies of these lists. Procedures are being developed to use these tapes and make this database available for the automatic printing of these lists for the Congressional Record and also for the Journal of the Executive Proceedings of the Senate without further keyboarding of text.

The Senate Executive Calendar has been produced from the computer database and printed by the computer-driven high-speed printer since the beginning of the second session of the 97th Congress and has worked exceptionally well. As this Executive Calendar information is also available in the LEGIS system, nomination information on the Calendar can be called up on an hour-to-hour basis.

Early in 1982, at the Bill Clerk's request, certain changes were made in LEGIS which enabled the system to more accurately reflect the history of legislation. The Bill Clerks requested that the system reflect status actions in the exact sequence in which they were entered into the computer. This, of course, put an extra burden on them to make sure that the information was entered correctly. It provides more accurate and more accessible information to users, and these changes have made the Journal's history of bills easier to compile.

As soon as the vote information is entered into the computer, it is available to all offices. The tally information is broken down into bill number, bill title, vote description, vote result and party split. Absences and pairs are also recorded and explained. This has cut down on the number of calls we receive from offices regarding vote results. We hope that as the vote tally system becomes more widely known, more staff will use it, and we will work closely with both Policy Committees on the proposed revision to the Vote Tally system.

During the last four weeks of 1981 and during 1982, 162 enrolled bills were prepared, printed, proofread, corrected, and transmitted to the President; also, 814 other pieces of legislation, in one form or another, were enacted by the Senate, each one requiring some type of work for the Enrolling Clerks. One hundred and fifty-eight pieces of legislation had to be assembled by that office and "hand engrossed" (which entails typing and piecing together true and accurate copy by hand immediately upon passage by the Senate) so they could be transmitted to the House of Representatives.

The quality of the bills and resolutions printed by the Government Printing Office has improved typographically. The turnaround time (the time when it is submitted to the Government Printing Office for printing and when it is delivered to the Enrolling Clerk), has improved but not sufficiently enough to eliminate

the necessity of "hand engrossing" many bills because the printed copy has not returned from the Government Printing Office.

In July 1981 the 34th Intersteno-Congress was held in Mannheim, Germany and was attended by representatives from parliamentary reporting services of approximately 20 nations. At that convention a survey was conducted of the various verbatim reporting services rendered. The survey showed that the Official Reporters of Debates for the U.S. Senate led all other parliamentary reporting services in rapid delivery of typed copy and number of pages produced, and did all of this with the smallest reporting staff.

Beginning on January 25, 1982, the Senate Proceedings in the Congressional Record were produced electronically or by cold type instead of hot metal at the Government Printing Office. The Editor in Chief has added a section which clearly lists concurrent and Senate resolutions by title. Previously they were only shown in full in the Record which made them difficult to find.

Occasionally, type will be garbled in a speech, paragraphs reversed, or some other error made in the Record which would not involve a unanimous consent request to correct. Usually when this occurs a Senator's office will request a rerun of a speech for reprint. Prior to 1982, the speech was reprinted in the Record under the headline of NOTE, with an explanation of the error. Now, instead of reprinting the speech in the Record, the corrected speech is sent to GPO, where two corrected "camera" copies are made and returned for delivery to the Senator's office. The Editor in Chief of the Record indicates that this is by far more economical and efficient than the previous procedure.

In the spring of 1982, a computer terminal was installed in the Reporters' Office. Shortly after, a mini-course in the operation of the terminal was given to staff. It has been beneficial in that staff have gained familiarity with the computer services available. Certain aides on the Finance Committee came to the Reporters' office while fiscal matters were being debated in the Senate Chamber and used the terminal to recall certain material from their computer files. The morning business staff, located in another office, added another terminal to assist in the production of the Record.

As a result of much work with the Senate Computer Center staff, the Senate Daily Digest is now online with computer generation of the day ahead hearing schedule, the week ahead hearing schedule and the Extensions of Remarks

hearing schedule. We are now able to print from the database each of these reports and thus they are keyboarded only once whereas previously they had to be keyboarded at least two times.

Work has also begun during this year on exploring the possibilities of complete computer generation of the Chamber proceedings and the committee outcome copy for the Daily Digest. There are a multitude of problems which have been encountered and we will continue to work on this project with the Computer Center.

OFFICE OF PRINTING SERVICES

In January 1983, I reorganized what was the Office of the Printing Clerk and established the Office of Printing Services. This was done in response to the increase in the work load and the introduction of new technology. The office will continue to coordinate and schedule all printing, provide paper and envelopes, and advise committees regarding printing. The Office of Printing Services has been moved to Room ST-41 in the Capitol.

Our normal printing work load increased 15 percent from 1981 to 1982. The number of tape transcripts of hearings have increased more than threefold, from approximately 600 in 1980 to 2,000 in 1982; hand count transcripts have almost quadrupled from 300 in 1981 to 1,100 in 1982.

During 1982, two computer systems were installed in the office (1) the Hearings system which facilitates billing verification information needed by committees and the commercial reporting companies and (2) the Quota system, which facilitates processing certain blank paper, letterheads, and envelopes used by committees and Senators' offices.

A third system, the Document Tracking system became operational in January of this year. As part of this project, a uniform system of numbering printed Senate hearings, committee prints, and other Senate publications was established and agreed to by all Senate committees. The system will also provide the Office of Printing Services with the ability to closely monitor each stage of a publication's life cycle, thereby assuring more timely printing.

SENATE LIBRARY

The terminal operators in the Bill Status Unit answered nearly 90,000 inquiries from Senate offices about the status of legislation. This is the largest number of requests handled since the service was begun in April 1975.

This total reflects a 46 percent increase over last year and a 14 percent increase over the corresponding session of the 96th Congress.

Fiscal Year	Congress/ Session	Number of Inquiries	Percentage of Change From Previous Year	Percentage of Change From Same Session of Previous Congress
1975	94/1	26,100	N/A	N/A
76	94/2	32,564	N/A	N/A
77	95/1	38,893	+19%	N/A
78	95/2	56,358	+45%	+73%
79	96/1	45,635	-17%	+20%
80	96/2	79,072	+70%	+40%
81	97/1	61,643	-22%	+32%
82	97/2	89,860	+46%	+14%

A number of enhancements of the LEGIS system were implemented by the Senate Computer Center which have helped to expedite the service of the Bill Status Unit. In May 1982, the "Votes" file became available, providing a timesaving method of obtaining information about record votes.

Reference Service

The reference librarians responded to almost 13,500 reference requests. This is the largest number of inquiries processed by the reference staff since the current record keeping system was begun in August 1976. The total reflects a 10 percent increase over last year and a 6 percent increase over the corresponding session of the 96th Congress.

Fiscal Year	Congress/ Session	Number of Inquiries	Percentage of Change From Previous Year	Percentage of Change From Same Session of Previous Congress
1976	94/2	2,250	N/A	N/A
77	95/1	6,650	N/A	N/A
78	95/2	7,845	+18%	N/A
79	96/1	9,206	+17%	+38%
80	96/2	12,644	+37%	+61%
81	97/1	12,227	- 3%	+33%
82	97/2	13,442	+10%	+ 6%

An important enhancement of our automated reference service was the acquisition of LEXIS in December 1981; LEXIS provides long-needed access to a legal research database containing the U.S. Code, reported cases of both the Supreme Court and the lower courts, the Federal Register, and the Code of Federal Regulations.

A program of reference training for library staff members who handle reference inquiries on a less than full-time basis was developed and conducted over a period of several weeks during the second quarter of the year.

Technical Services

1. Acquisitions. During the year, the Library developed and implemented written procedures for a revised system of acquisitions and technical processing; the system employs a new purchase order form, improved record keeping, and more frequent verification checks.

2. Serials. A significant improvement in the acquisition of periodicals occurred with the selection in October 1981 of F. W. Faxon Company, Inc., to act as the Library's subscriptions agent. Only four principal vouchers for subscriptions were processed during the year, compared to almost 200 in fiscal year 1981.

Claims for periodicals not received from publishers have been handled by Faxon in a satisfactory manner. Finally, Faxon's computer printout of our subscription list has made record keeping and reference much easier.

3. Online Catalog. After a year of study and planning, an important first step was taken toward the long-term goal of developing an integrated automated system for the Library operations. This first step was the decision to develop an online catalog of the Library's collection by joining a national bibliographic network called the Online Computer Library Center; OCLC will provide us with monthly computer tapes of catalog records selected to correspond to our books and government documents collections. We also requested that the Senate Computer Center write a program for the conversion of OCLC data to a SCORPIO format in order to search for and retrieve records stored in our catalog file in LEGIS. By September 1982 our application to join OCLC through the Federal Library Committee had been approved, and we began entering cataloging information during the closing months of 1982.

Micrographics Center

The Center was used 593 times during the year, an increase of 8 percent over the previous year.

Senators' Reading Room

A total of 4,008 visitors made use of the Senators' Reading Room during the year, reflecting an increase of 9 percent from the previous year.

Publications Program

Over the last few years a trend has become evident that the Library is issuing fewer publications than in the past. This development has been due in

part to the increased demand for reference services which has left less time to work on publications, and in part to the decision that some of these publications are either no longer needed or fall under the jurisdiction of another office.

In October 1978, the last edition of Senate Campaign Information was published; in 1980 the booklet was merged with the Rules and Administration Committee's Senate Election Law Guidebook. In January 1981 it was decided to discontinue publication of Proposed Amendments to the Constitution. In the same year it was also decided to delay revision and publication of two other booklets -- History of the Senate Seals and Senate Election, Expulsion and Censure Cases; it appeared likely that preparation of these booklets would be shifted to the Curator's and Historian's offices. Finally, a reevaluation of the Hearings Index during the second quarter of 1982 resulted in the decision to discontinue compilation of this publication after the Index of the 96th Congress has been issued. Progress on the Hearings Index for the 96th Congress was substantial, but clearly fell short of the goal of completing publication by December 1982.

Public Relations

The Library was active in a number of programs designed to inform users of the scope of its services. The Library's principal effort at public relations was by means of the continuing series of seminars sponsored jointly by the Offices of the Secretary and of the Sergeant at Arms; eight seminars and tours describing Library services were offered on four occasions during the year to Senate staff. In addition, Library staff members spoke about our services at six Capitol Hill Information Seminars and at three District/State Institutes sponsored by the Congressional Research Service.

Activities of Library Staff

Throughout the latter half of fiscal year 1982, a number of staff exchanges took place between the Senate Library and the Congressional Research Service. Library staff members also attended a number of CRS institutes which were given throughout the year: two of our staff went to the one-day basic institute, two to the three-day advanced institute, and two to the four-day institute.

In addition, Library staff attended a variety of seminars sponsored jointly by the Offices of the Secretary of the Senate and of the Sergeant at Arms, including sessions on budget procedures, Senate and House floor proceedings and committee procedures. Library staff participated in professional organizations by attending the annual conferences of the Special Libraries Association, the American Library Association, and the Professional Picture Framers Association.

Activities of the Bookbinder-Conservation Specialist

An outstanding achievement of the Bookbinder-Conservation Specialist was the application of the binding standards, which he originally developed for the Senate Library to all special binding done by the Government Printing Office for Congressional committees. After careful consideration of comments solicited from committee staff on the proposed binding standards, the Joint Committee on Printing approved their implementation on December 10, 1981. It is expected that the standards will produce an improved and more consistent quality of binding at less cost.

The Bookbinder-Conservation Specialist prepared a revision of the Senate Library disaster recovery plan to serve as a general guideline for other libraries expressing interest in the plan.

Finally, in addition to the routine services provided to the Library, the Bookbinder assisted the Senate Curator's Office with its exhibit program and with a variety of other projects; the Senate Historian's Office with advice relating to the binding of Senate records in the National Archives; and the Architect of the Capitol's Office with its program to encapsulate two collections of historic materials.

Work Space and Storage Space

By the end of fiscal year 1982, the Office of the Architect of the Capitol had completed its space study of the Library's suite of rooms on the third floor of the Capitol and submitted for comment its recommendations for alleviating the present overcrowded condition of the reference room. These proposals are currently under consideration.

In July 1982 the Secretary requested the Rules and Administration Committee assign to the Library certain areas of the space vacated by the Document Room when it moved to the Hart Building. This request is pending in the Committee.

LEGIS Down Time

A problem experienced by the Bill Status service during fiscal year 1982 was the significant increase in the time that the LEGIS system was out of operation. Our records indicate that down time totaled 50 hours, an increase of 61 percent over the year before.

SENATE HISTORICAL OFFICE

Study Group on the Commemoration of the Senate Bicentenary

The office provided primary staff support for the Senate Bicentennial Study Group, which met on March 24, September 14, and December 2, 1982. Services included preparation of project options for the group's consideration, follow-up investigation of activities suggested by group members and preparation of a draft final report. The office drew on resources of the Library of Congress, the National Archives, and the Smithsonian Institution, as well as private filmmakers, associations of historians and political scientists, and private scholars to shape a plan of activities likely to be of broad interest and utility.

Committee Records Management and Disposition Assistance

The 1980 change in Senate party control created severe records management problems. Departing committee staffs were inclined to discard valuable committee files, while incoming staff displayed little interest in earlier records. As a result, a tremendous volume of files was diverted to out-of-the-way committee storerooms or hastily dumped on the National Archives. In response to this threat to the integrity of the Senate's collection of permanently valuable records, the Secretary of the Senate requested and received authority to place within the Historical Office a professional archivist from the National Archives. Starting on February 1, 1982, the archivist worked during the remainder of the year with more than half of the Senate's committees to organize older records for proper transfer to the National Archives. She also conducted a series of staff seminars on records management and devised a set of filing guidelines for committees and subcommittees. These guidelines, similar to those used throughout executive branch agencies, are tailored to the Senate's specific archival needs. By the end of the year, she had become widely trusted among committee chief clerks and was achieving significant inroads in organizing backlogs and recent transfers of committee permanent records. Additionally,

by identifying categories of records that lack permanent value, she has diverted large volumes of useless files from the National Archives, thereby eliminating substantial storage costs.

We have asked the Archives and the Rules Committee to extend her services for another year, and I am happy to report that we will have another year of her expertise.

Senate Records Preservation Project

Many of the Senate's eighteenth and nineteenth century records at the National Archives are in danger of deterioration. Documents of this earlier period were routinely folded and tied causing creases that result in cracking when the paper is unfolded. On the Secretary of the Senate's initiative, the Historical Office and the National Archives devised a four-year preservation plan that Congress, in September 1982, agreed to fund in the amount of \$300,000. At the end of the fiscal year, the Archives was preparing to recruit a special team of conservators to accomplish this project. The Historical Office will monitor the Archives' activities closely to ensure that appropriate progress is made.

Senators' Papers

Through a series of publications, staff seminars, and personal visits, the Historical Office assisted a majority of the Senate's Members in matters related to preservation and disposition of their office files and personal papers. For Members in their first terms, the office advised on selection of suitable repositories and negotiation of instruments of deposit. For all Senators, the office distributed specific guidelines indicating which records should be considered permanently valuable and which could be destroyed as they become non-current. Finally, the office assisted departing Members in all phases of records disposition planning, including advice on recruitment of staff archivists to handle final boxing and related processing details.

Senate Election, Expulsion and Censure Cases

The Harrison Williams expulsion case generated a large volume of press inquiries regarding earlier Senate expulsion efforts. The Historical Office prepared extensive background information on the thirty previous cases and participated in numerous radio and television interviews prior to the time of Senator Williams' resignation in March 1982. Research into prior cases revealed

the inadequacy of the Senate publication, Senate Election, Expulsion, and Censure Cases 1793-1972. In cooperation with the Senate Library, and the Committees on Rules and Ethics, the Historical Office undertook a complete revision of this widely-used volume, first published in 1885. It expects to complete work on this project in 1983.

Senate Guidebook for Visiting Dignitaries

At the request of the Senate leadership, the office is developing a 64-page illustrated publication suitable as the Senate's official gift to visiting foreign dignitaries. The book will include a collection of architectural-quality color photographs of the Senate's quarters in the Capitol and three office buildings as well as black and white historical views of the same areas. This publication should be completed during 1983.

Oral History

The office published its interview with W. Featherstone Reid, former assistant to the chairman of the Appropriations Committee, and completed another series with William Ridgely, former Senate Financial Clerk and Assistant Secretary. Preliminary interviews with several former committee staff directors indicate that the number of oral interviews will grow significantly during the coming year.

Catalog of Unprinted Committee Hearings

During the year, the office continued its project to locate unprinted Senate committee hearings transcripts at the National Archives and in committee offices. The project covers the period 1945-1970, from the Legislative Reorganization Act of 1946 that mandated the keeping of transcripts to the "sunshine" reforms of 1970-71 that significantly reduced the number of closed-door hearings. We plan to computerize our findings and to produce a printed catalog to the invaluable and elusive resources.

Photographic Collection

By year's end the Photohistorian had acquired likenesses of nearly 1,000 of the Senate's 1,759 current and former Members. He assisted in design of several publications for the offices of the Historian and Curator, including a ten-page brochure on the architectural and political history of the Senate

Caucus Room. To reduce photo-processing costs substantially, the Secretary of the Senate requested and received a modification of the statute governing access to services of the Senate Photographic Studio. This will result in a 75 percent reduction in charges for the bulk of the Photohistorian's routine processing work.

CURATOR OF ART AND ANTIQUITIES

Acquisitions

The curatorial program of the past year was marked by the expansion of the collections supervised by the Commission on Art and Antiquities, an increase in the number of permanent and temporary exhibits installed throughout the Senate wing of the Capitol, and completion of several long-term projects.

Nearly 50 American woodcuts, chronicling life in the Senate between 1850-1900, have been acquired in recent months. The Senate's print collection, to which these examples have been added, offers significant documentation of the building's furnishings prior to the development of interior photography.

Efforts were made to improve the collections of the Old Senate and Supreme Court Chambers, and to strengthen the interpretive roles of these historic meetingplaces. Among the additions to the Old Senate Chamber were two original period ceramic cuspidors. New signs were also designed and installed in the chambers so that the hundreds who visit daily might better appreciate these settings and their role in the history of our federal system.

The Senate's paintings collection was enhanced by the addition of 12 portraits of former Members, loaned for an indefinite period by the National Portrait Gallery. From the Senate's permanent collection, the monumental canvas "The Battle of Chapultepec" was loaned to the U.S. Marine Corps Museum in Washington, D.C., where it is now on public exhibition for the first time in 20 years.

Catalogue

The development of the decorative arts catalogue, which includes noteworthy examples of Senate furnishings acquired through the years, continues apace. Through the cooperation of the Senate Sergeant at Arms, the storage facilities for the study collection of historic Senate furniture have been improved considerably.

Exhibits

The 1982 Senate Orientation Program provided an opportunity for the office to mount an exhibit on the Russell Building Caucus Room. It was the largest exhibit to date sponsored by the Commission on Art and Antiquities, and more than nine months were spent in planning, design and fabrication. By means of photographs, documents and artifacts, the exhibit told the story of the Caucus Room, beginning with the Titanic sinking investigation, shortly after the room's completion, and continuing to the Watergate hearings of the present generation. The setting for the exhibit was the Caucus Room itself, which added an extra dimension for the viewers. The room was also the setting for the reinstallation of "A Pointed Perspective," a panel display tracing the history of the Senate over a 150 year span, as reflected in the works of American political cartoonists. Both of these exhibits were shown again in the Rotunda of the Russell Building during the week of February 14-18, 1983.

Included in the exhibits installed in the Capitol Building during the past year was "The Senate in 1850," which was placed in the Crypt. Redesigned since its original fabrication in 1975, this colorful display of mid-nineteenth century documents and memorabilia depicts the dramatic Senate Chamber debates which led to the Compromise of 1850. Elsewhere in the Capitol, several views of the Senate Chamber from the Senate's print collection were installed in the Republican cloakroom, while a series of nineteenth century exterior views of the Capitol Building was placed in the Office of the President pro tempore.

Bicentenary Study Group

The Curator's office supported the efforts of the Secretary of the Senate and the Historical Office in providing detailed analysis on the feasibility of several bicentennial proposals. Among the project studies undertaken by this office were exhibitions, ceremonial events, films, and commemorative stamps and medals. A complete review of these programs appears in the Study Group's final report.

Foreign Gifts

Several other activities of the past year merit consideration. The Curator's office continues to provide staff support to the Secretary of the Senate and the Commission on Art and Antiquities as they fulfill their statutory responsibilities for the registration and disposition of foreign gifts and

decorations received by Senators and Senate employees. In cooperation with the Select Committee on Ethics, guidelines related to the disposition of gifts which fall below the minimum value were adopted.

Bassett Papers

One of the most enlightening projects of the year was a joint venture with the staff of the Architect of the Capitol whereby the papers of Isaac Bassett, an employee of the Senate from 1831-1885, were organized, catalogued and copied. This material provides a unique first-person account of life in the nineteenth century Senate chambers, where Bassett worked for most of his sixty-year career. Approximately ten linear feet of of this material is now available to researchers.

FEDERAL ELECTION COMMISSION

The Secretary, as Ex Officio Commissioner of the Federal Election Commission is represented through his Special Deputy in all Federal Election Commission activities.

Meetings

The Commission conducts most of its activities through regularly scheduled meetings, both in executive and open sessions. Executive sessions mainly focus on resolving compliance, audits, and the internal workings of the Commission such as personnel matters. In 1982, 49 executive sessions were held. Other matters such as requests for advisory opinions are considered in open session and there were 41 open sessions in 1982. The Commission also held a hearing to consider possible modification in the regulations dealing with Presidential Primary Matching Funds.

Advisory Opinions

Under the statute, the Commission has the authority to respond to requests for advisory opinions in order to supplement the statute and Commission regulations. These opinions can be requested by any interested party. In 1982 the Commission received 66 requests for advisory opinions. Four of these were withdrawn by the requester, and one was closed without the issuance of an opinion. The Commission considered and issued 65 advisory opinions. Twelve of these were requested in 1981 and 53 in 1982. The Commission still had one advisory opinion pending at the time of this report.

Workshops

Although the Commission had to curtail all election law seminars because of budgetary considerations, two state workshops were held last year under the auspices of the Federal Election Commission's Clearinghouse. Workshops are primarily organized to allow state election officials to get together and discuss various election programs. These were held in the following locations:

Massachusetts Town Clerks Association,
Worcester, Massachusetts - October 13-15, 1982

Kentucky Clerks Association
Lexington, Kentucky - November 8-10, 1982

Congressional Oversight

The Commission made five formal appearances before various committees of the Congress in 1981. These included the Appropriations Committees of the House and Senate as well as appearances before the House Administration Committee and Senate Rules Committee, the oversight committees for the Federal Election Commission, with regard to the authorization for the Commission. Confirmation hearings were also held before the Senate Rules Committee on Federal Election Commission appointees, Joan D. Aikens, Lee Ann Elliott and Danny L. McDonald.

Seminars

During 1982, the Special Deputy gave two seminars on the "Impact of Election Laws in an Election Year" for Senate staff. The Special Deputy, along with the Associate General Counsel of the FEC, conducted a three-hour evening seminar in conjunction with the Federal Bar Association's Council on Administrative Law and the American Society for Association Executives on the topic, "Introduction to and Overview of the F.E.C.A." The Special Deputy also lectured at an American University graduate seminar on "The Legal Aspects of Campaigns."

OFFICE OF PUBLIC RECORDS

The Office of Public Records receives, processes and maintains records, reports and other documents filed with the Secretary of the Senate as required by law.

Since 1982 was an election year, campaign financing reports received priority attention. Expanded hours were maintained to accommodate the needs of the press and the public. The office was open six Saturdays and two Sundays to receive these reports and make them publicly available. It is estimated

2,000 individuals were served and 83,000 copies sold since January 1. The office returned \$8,300 to the U. S. Treasury.

Senate Public Financial Disclosure

From January through mid-December, more than 10,000 documents were received. The filing date for Public Financial Disclosure Reports was May 15. On Wednesday, May 19, these reports were released to the press and public. Fifty advance requests for full or substantial sets were received and these requests were filled and ready for distribution on the release date.

Financial Disclosure Reports received during the period 1978 through 1981 for Senate staff and Legislative Branch employees have been boxed and indexed in preparation for transmittal to the National Archives Record Center.

Federal Election Campaign Act, as Amended

Some 3,900 reports were received from January through mid-December which involved microfilming 75,727 individual documents. Of these documents, 271 statements of candidacy and 248 statements of organization were submitted to this office for processing. Reports were processed, provided to the Federal Election Commission and released to the press and public no later than 24 hours following their receipt.

All campaign related files accumulated since 1972 have been microfilmed and indexed on the Senate computer system.

Federal Regulation of Lobbying Act

Approximately 35,000 registrations, quarterly reports and amendments were received, processed, and made available for public inspection and copying for the period January 1 through mid-December 1982.

It is currently anticipated that a lobby indexing system will be operational during the the first half of 1983. We have requested from the Clerk of the House, the computer programs they use. With some minor modifications, we can adapt the software to our needs.

Registration of Mass Mailings

Mass mailings registered in 1981 totaled 6,222 pages.

Miscellaneous Activities

During 1982, approximately 70 boxes of documents have been indexed and transmitted to the National Archives. Material sent involved lobbying activities and documents related to the Federal Campaign Act of 1971.

The fifth edition of the document entitled "Compilation of Reports and Statements to be Filed by Senators, Officers, Employees and Other Individuals" was revised and distribution was made to approximately 400 individuals.

Our major accomplishment during the year is undoubtedly the elimination or transfer of official documents or administrative files accumulated over the past ten years. This has been a tedious and time consuming task. In many cases, four or five duplicates of one document existed - each duplicate in a different set of files.

Arrangements have been made to transfer official reports filed under the Senate Code of Official Conduct and Federal Election Campaign Act to the National Archives and Record Center. This is being done with the assistance and cooperation of the Senate Historical Office.

OFFICE OF CLASSIFIED NATIONAL SECURITY INFORMATION

This office provides a secure facility for hearings of committees of the Senate at which highly classified information is to be presented. In this connection, during fiscal year 1982, there were a total of 142 classified hearings and meetings (90 hearings and 52 meetings) held in the secure facility. This represented an increase of about 43 percent in utilization of the room as compared with fiscal year 1981. The Senate Committees on Appropriations, Armed Services, Budget, Environment and Public Works, Judiciary and the Select Committee on Intelligence are the primary users of this facility.

In addition to being used for hearings and briefings conducted in normal support of the Senate, Room S-407 was used for briefings of Senators by White House and State Department personnel. For example, Secretary of State Haig conducted a briefing on a national security issue in the spring of 1982 which 70 Senators attended.

This office also provides and operates a central repository for the safeguarding of classified information. To illustrate, on May 4, 1982, the Senate went into closed session for a briefing on Soviet military capabilities. The classified stenographic notes of that session were transcribed in the National Security Office and have been retained in the secure vault, together with the records of earlier closed sessions of the Senate.

OFFICE OF INTERPARLIAMENTARY SERVICES

The Office of Interparliamentary Services began its operations in January 1982, and I have provided at the end of my statement a list of the trips handled by the office since its inception. The IPU meetings of April and September were not actually handled by this office in 1982, but responsibility for these meetings was transferred from the Secretary's main office to this office in January 1983.

In addition to trips, the office has assumed responsibility for coordinating reports of expenditures of foreign travel filed by each Committee with the Secretary. We also developed a form used by Committees for notifying the Secretary of proposed foreign travel and maintain a file of these forms.

The Office of Interparliamentary Services is becoming more widely known throughout the Senate. Daily we advise various staff members of travel regulations and reporting requirements, and frequently act as a clearinghouse for passports and visa forms. Our travel resources, including airlines guides, regional guidebooks, and country files, have been used by several offices.

TRAVEL

During the last fiscal year, 15 of our staff attended seminars relating to their duties in the office. Staff went to the Mid-Atlantic Archives Conference, Congressional Research Service Advanced Legislative Institute, Library Materials Conference, National Council on Public History, Congressional Research Service Graduate Institute, International Standards Organization, Graphic Expo '82, Special Libraries Association, etc. I believe that we can continue to assist in staff development without requesting an increase in our travel budget.

SEMINARS

Our office, along with the Sergeant at Arms, arranged 25 seminars in fiscal year 1982. The seminars covered such topics as the legislative process, Federal election laws, Senate ethics, the budget process, effective utilization of summer interns, disposition of Senatorial and committee papers, and services of the Senate Library. Workshops were also held on files maintenance, and use of the Recording Studio.

These programs were open to all Senate staff, and announcements were sent to offices and also carried in Staff magazine. The seminars were usually scheduled for 90 minutes and included a lecture and time for questions and

answers. All participants were asked to critique the content and the speakers so our offices could evaluate the effectiveness of the program. Overall, we found that 80 percent of those who attended rated the programs "very good" to "excellent."

In addition, we cosponsored with the Library of Congress and the House of Representatives six Capitol Hill Information Seminars and three District/State Staff Institutes held in Washington.

Approximately 900 Senate staff representing over 50 Senate offices participated in these programs, and the reviews were excellent in every case.

We have already established the schedule for our seminars for calendar year 1983 and intend to continue with the programs which staff rated highly, and to offer new seminars on security. In addition, we are planning a management series for late 1983 or early 1984.

ORIENTATION FOR NEW SENATORS

On November 29 and 30 and December 1, 1982, the Orientation for new Senators was held. This program was sponsored by the joint leadership with the assistance of personnel in my office and the Sergeant at Arms' office. All five Senators-elect attended and were accompanied by at least two staff members.

To assist the new Members during the program and the and in the early months of their first term, a new Congressional Handbook was provided. This document resulted from the combined efforts of staffs from the offices of the Secretary, the Sergeant at Arms, the Rules Committee, and the Architect of the Capitol. The publication is a consolidation of the current Congressional Handbook, the "Senate Office Guide" and the "Senate Resource Directory," and took almost two years to compile. The existing handbooks for all Senate offices will be updated with the new material which will be distributed by the Committee on Rules and Administration.

The Orientation sessions dealt with the administration and financial management of a Senatorial office. Among the program participants were nine Senators who spoke to the new Members on such topics as ethics, office administration and organization, time management, press relations, and mail management and constituent services. Every session was well received and many new Members commented on the value of hearing how things really work from their peers.

There was also an office functions display in the Caucus Room in the Russell Building. This display was designed to acquaint the Senators-elect and their staff with the services and equipment available for their use.

All sessions of the program were well attended, and the new Senators all commented favorably on the Orientation's value and importance in assisting them in organizing their offices.

MANAGEMENT BOARD

On February 23, 1982 the Senate began rebroadcasting the news on closed circuit t.v. Each evening the three network news programs are taped, staff in the Recording Studio edit out the commercials and then rebroadcast the three programs at 9:30 and 11:30 every morning.

The Management Board reviewed and approved, with a few changes, a staff report relating to Senate pages. On July 14, 1982, the Board sent its recommendations to the leadership and on September 21 sent a recommendation for the creation of a Capitol Page Board. Since these letters were written, we have sent a letter summarizing the actions to date and requesting approval on four items. Most of the recommendations in the Senate's study are reflected in the actions the House has taken.

The Media Gallery study undertaken over a year ago was completed. The Rules Committee is planning hearings on the subject and is still reviewing the issue.

The Board requested the Attending Physician to consider increasing the number of doctors and having one stationed in a health facility that would serve the office buildings. It was agreed that there should be an expanded facility to serve both the Dirksen and Hart Buildings. While the Attending Physician objected to a doctor being in the office buildings, the Board recommended that the plans allow room for the equipment a doctor would need and the decision regarding an additional physician was deferred.

Consolidation of the various Senate handbooks has been completed and the revised Senate Handbook was distributed to participants in the Orientation Program for new Senators. All Senate offices received their handbooks during the week of March 7, 1983.

Both the Sergeant at Arms and I are requesting that the longevity program as it currently exists be abolished. Now that both offices operate under lump sum authority and can set salaries based on the requirements of the job and merit, longevity raises are no longer needed.

The Board requested the Sergeant at Arms to review security procedures of Senate offices and committees and to develop guidelines on handling classified information. The Sergeant at Arms has held seminars on security with administrative assistants and chief clerks.

A study and recommendation for long-distance telephone service has been completed and sent to the Rules Committee. The issue is still under review and it is anticipated that a contract will be signed on March 7, 1983.

The Welcome to Washington pamphlet has been revised and is scheduled for review at the next Board meeting.

The self-guided tour pamphlet and the moving kit, a joint project between the Sergeant at Arms and the Architect is nearing completion. The artwork is at GPO and the text still under review in the Architect's Office. The pamphlet should be ready for publication in March 1983.

Work is also progressing on a study to modify the procedures for issuing and controlling Senate identification cards. If the cards are to be used for both security and identification, it will require coordination among the Sergeant at Arms, Secretary of the Senate, and Rules Committee to develop the appropriate guidelines.

Finally, on December 6, 1982, a letter was sent to the Democratic Leader soliciting the appointment of a representative of the minority. In March 1983, Patrick Griffin, Secretary for the Minority, was named.

We have been meeting for over two years now and all members of the Board feel the meetings have provided a good forum for discussing issues of mutual concern and for keeping communications flowing among our various offices.

EXHIBIT 1

OFFICE OF THE SECRETARY

	FISCAL YEAR 1983	FISCAL YEAR 1984	INCREASE/DECREASE
SALARIES, OFFICE OF THE SECRETARY			
Fiscal Year 1983 Obligations	\$5,640,000		
1982 Increased Pay Cost	<u>227,000</u>		
Total Obligations for Fiscal Year 1983	\$5,867,000		
Fiscal Year 1984 Base Program		\$5,867,000	
Longevity ^a		450,000	\$450,000
Proposed Salary Increases		265,000	+265,000
Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
Appropriation	<u>\$5,867,000</u>	<u>\$6,602,000</u>	<u>\$715,000</u>

EXPENSES, OFFICE OF THE SECRETARY

Miscellaneous Items:

Historical Office: Books and Documents	\$ 1,000	\$ 1,000	\$ -0-
Photographic Supplies	5,000	4,000	+ 1,000
Library: Online Information Services	33,000	35,000	+ 2,000
Microform Publications	21,500	21,500	-0-
Books, Subscriptions, Standing Orders ^a	-0-	31,000	+31,000
Office of Classified National Security Information: Maintenance contract for alarm system	3,000	3,000	-0-
Travel (Public Law 94-59)	10,000	10,000	-0-
Registration Fees ^b	-0-	1,000	+ 1,000
Substitute Reporters and Transcribers (Public Law 89-90)	20,000	20,000	-0-
Office of Public Records (Public Law 92-362)	25,000	25,000	-0-
Consultants (not more than two) (Public Law 95-26)	51,000	51,000	-0-
Legal Reference Volumes (Senators' Offices) (Public Law 92-51)	35,000	35,000	-0-
Contractual Legal and Administrative Services	60,000	60,000	-0-
Disbursing Office: Payroll Forms	10,000	10,000	-0-
Notary Fees and Supplies, Insurance ^c	-0-	3,000	+ 3,000
Orientation and Training (Public Law 95-94)	2,000	2,000	-0-
Newspapers ^d	-0-	25,000	+25,000
Senate Service Awards ^e (Senate Resolution 21, September 10, 1965)	-0-	18,000	+18,000
Total Obligations, Miscellaneous Items	\$ 276,500	\$ 357,500	\$+81,000
Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
Appropriation	<u>\$ 277,000^{aaa}</u>	<u>\$ 358,000^{aaa}</u>	<u>\$+81,000</u>

SUMMARY OF APPROPRIATIONS REQUESTED

Salaries (salaries, officers, and employees)	\$5,867,000	\$6,602,000	\$+715,000
Expenses (miscellaneous items)	277,000	358,000	+ 81,000
Postage	7,000	7,000	-0-
Stationery	20,000	27,000	+ 7,000
Total Obligations	\$6,191,000	\$6,994,000	\$+803,000
Total Financing			
Less: Unobligated balance, start of period	-0-	-0-	-0-
TOTAL APPROPRIATION	<u>\$6,191,000</u>	<u>\$6,994,000</u>	<u>\$+803,000</u>

^a Items paid from contingent fund not previously detailed^{aa} Transfer from Agency Contributions and longevity compensation^{aaa} Items which have been rounded

EXHIBIT 2

United States Senate

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20510

December 6, 1982

The Honorable Charles McC. Mathias, Jr.
Chairman
Committee on Rules and Administration
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

We currently have three categories of items distributed free of charge by the Stationery Room to Senate offices. These include six different pads, a document register, and blue divider sheets. I have enclosed samples of each for your review.

The Senate currently spends approximately \$9,000 annually for 1,000 document registers, the cost of which is charged against the Congressional Printing and Binding account at GPO. The same procedure is followed for the pads, approximately \$8,000 for 13,000, and approximately \$1,500 for 100,000 of the divider sheets.

Since we will be charging for all supplies previously dispensed at no cost by the Sergeant at Arms, we believe that these items and all items carried in the Stationery store should be sold. The effect of this action will be a reduction of Senate printing costs which your Committee directed us to pursue earlier this year, and the elimination of all free merchandise. In addition, we believe that we can obtain both the pads and the divider sheets commercially for considerably less than GPO currently charges the Senate, and pass these savings along to Senate offices.

Unless your Committee advises us otherwise, we plan to put this policy into effect at the beginning of the next Congress.

Sincerely,

INTERPARLIAMENTARY SERVICES -- TRAVEL IN 1982

January 2 - 14, 1982	Codel Baker Puerto Rico, Panama, Peru, Argentina, Chile, Mexico
January 3 - 19, 1982	Codel Cochran Australia, New Zealand, Hong Kong, Japan
March 4 - 8, 1982	Canada - U.S. Interparliamentary Group Key Largo, Florida Chairman, Senator Stevens Co-Chairman, Senator Zorinsky
April 12 - 17, 1982	Interparliamentary Union Lagos, Nigeria, Germany, Canary Islands Chairman, Senator Stafford
May 27 - June 1, 1982	Mexico - U.S. Interparliamentary Group Santa Barbara, California Chairman, Senator Percy Co-Chairman, Senator Zorinsky
May 28 - 31, 1982	North Atlantic Assembly Funchal, Madeira, The Netherlands Chairman, Senator Mathias Co-Chairman, Senator Pell
May 30 - June 10, 1982	Codel Baker China, Hong Kong
July 1 - 13, 1982	Codel Laxalt France, Italy, Hungary, England
August 22 - Sept. 2, 1982	Codel Mattingly/Boren England, Germany, Belgium, The Netherlands
September 12 - 23, 1982	Interparliamentary Union Rome, Italy Chairman, Senator Stafford
October 11 - 23, 1982	Codel Cochran China, Hong Kong
October 19 - Nov. 4, 1982	Codel Hatfield Portugal, Ivory Coast, South Africa, Zimbabwe, Kenya, Tunisia, Morocco, Italy
November 5 - 21, 1982	Codel Stevens Portugal, Greece, Italy, Germany, England, Bermuda
November 14 - 19, 1982	North Atlantic Assembly London, England, Spain Chairman, Senator Mathias Co-Chairman, Senator Pell

ELIMINATION OF LONGEVITY COMPENSATION

Senator D'AMATO. Let me ask you a question regarding the recommendation made last year to eliminate longevity compensation. Will employees lose any compensation as a result of the elimination of that program?

Mr. HILDENBRAND. No. The submission that I have made considers the amounts of money that are being utilized at the present time for longevity pay, and there will be no loss of revenue to individual members as a result.

Senator D'AMATO. In your statement you referred to the development plan for the Senate Bicentennial in 1989. What sort of activities are planned?

Mr. HILDENBRAND. I would like to, if I might, Mr. Chairman, submit a copy of the study recommendations that the group made. The joint leadership submitted a copy of that study to each Member of the Senate and to all former Members asking for their comments. Briefly, some of the recommended projects that we are talking about in the study include a biographical directory of Senate Members from 1789 to 1989, a guide to the Senate records at the National Archives, microform publications of selective, heavily used 18th and 19th century records, two bicentennial conferences, and exhibits for display which we would like to take throughout the country to show some of the things the Senate does and how it operates. But as I said, I will submit a copy of that study to the subcommittee.

Senator D'AMATO. If the committee were to adjust the existing appropriation accounts within the category, "Contingent expenses of the Senate," do you see any disadvantages to removing the Secretary's expenses from the "Miscellaneous items" account and adding a line item for your Office within the contingent fund?

Mr. HILDENBRAND. No, sir, none at all. In fact, that would be looked upon with favor.

Senator D'AMATO. What would that do to enhance your operation?

Mr. HILDENBRAND. I think it gives us a single appropriation amount which will give me flexibility to spend what is necessary for the items currently identified in my budget submission. I will submit notification to the committee if there is any significant need to increase funds for a specific item.

SUBMITTED QUESTIONS

Senator D'AMATO. We have additional questions and will submit them for the record.

Mr. HILDENBRAND. I would be happy to answer any of the questions.

Senator D'AMATO. Thank you.

Mr. HILDENBRAND. Thank you, Mr. Chairman.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

QUESTION: How many employees are currently in the Office of the Secretary, and how do you expect this to change in FY84? Please submit the number of employees in each of your departments.

ANSWER: As of April 12, 1983, we have 180 employees on our payroll. I have a chart which contains the proposed changes and the number of employees currently in each department.

FY83 STAFF AND PROPOSED STAFFING FOR FY84

<u>Department</u>	<u>Number of Employees*</u>	<u>Proposed Range for Staffing *</u>
Legislative/Administrative	57	57-62
Disbursing Office	40	40-44
Document Room	21	20-21
Library	21	20-23
Stationery Room	19	19-21
Office of Public Records	6	6-7
Office of Classified National Security Information	5	5
Historian	7	7
Curator	4	4
	<u>180</u>	<u>180-194</u>

*The figures represent full-time professional and clerical staff. They do not include the interns who work from six to ten weeks during the summer months.

QUESTION: Please give us a status report on the development of the new Payroll Management System. What assistance can this Committee provide in accelerating development of this system?

ANSWER: We are estimating completing the payroll/personnel phases of the Financial Management System by the end of 1984. I have a chart which shows the overall system development plan. The time estimates for completion of this system correspond to the estimates made by the consultant from Business Information Technology, Inc. (BIT) and correspond to the development schedules of other organizations who are using the Integral Systems, Inc. (ISI) system.

In our last meeting to review the status of the payroll project, we determined that we would need additional consulting service in FY84. The Senate Computer Center has some funds in their budget, however, we estimate that another \$25,000 is required. Therefore, I am requesting that this amount be added to the Secretary's budget for this purpose.

QUESTION: At the end of FY82, this Committee approved a reprogramming to provide funds for a new computer system for the Stationery Room. Can you give us a status report on this equipment, and have the projected benefits actually been attained?

ANSWER: At the present time all of the new Stationery Room computer hardware is operating at capacity. The additional printers and disc drive have improved the overall operation considerably. However, we do have head damage on two of our discs and they will have to be

OVERALL SYSTEM DEVELOPMENT PLAN--ISI PAYROLL/PERSONNEL SYSTEM

<u>Stage 1.</u> Installation and Familiarization April 1983	ISI Installation of the basic software as purchased ISI Familiarization process including Computer Center and Disbursing Office Personnel
<u>Stage 2.</u> Personnel Sub-System Installation First Quarter 1984	The second stage of the system development plan will begin once the overall ISI familiarization efforts for Stage 1 have been completed. The primary objective of this stage will be to make the personnel sub-system available to the Disbursing Office for testing and evaluation. Modifications will be applied to the system as necessary to ensure that the personnel sub-system will meet the high priority design changes requested by the Disbursing Office.
<u>Stage 3.</u> Payroll Sub-System Installation Third Quarter 1984	Stage 3 is expected to begin once the testing and evaluation of the Stage 2 Personnel sub-system has been completed by the Disbursing Office. The primary objective of Stage 3 will be to make the Payroll sub-system available to the Disbursing Office for testing and evaluation. Modifications will be applied to the system as necessary to ensure that the payroll sub-system will meet the highest priority design changes requested by the Disbursing Office.
<u>Stage 4.</u> User Training and Conversion Fourth Quarter 1984	The objective of the final stage of the system development effort will be to install the modified Payroll/Personnel system for production use by the Senate Disbursing Office. To accomplish this, it will be necessary to establish a comprehensive user training program, to complete a final automatic conversion of the existing payroll data base, and to undertake a period of parallel processing so that the Disbursing Office will be able to verify that the new system is operating in a completely satisfactory manner prior to final cut-over.

resurfaced or replaced. I am currently negotiating with the Sergeant at Arms' Office about this problem.

In addition, the software modifications are progressing nicely. To date, approximately 80 percent of the major modifications have been completed, and we are testing price averaging now and expect to have it operational by the end of April. When this is accomplished, we will review the list of those uncompleted modifications (lower priority) and decide what to implement with the \$8,500 remaining for the project.

QUESTION: Does the Secretary's Office now have the capability to send routine employee notices through inside mail, rather than to an employee's home address? If not, what expense and problems would be involved in developing such a system?

ANSWER: All notices which relate to employee benefits and salary are sent to the employee's home address. These matters are important and, in many cases, the information requires action with a certain time frame, e.g. notification of open season for health benefits. Payroll information notices, paychecks, and W2 forms are treated as confidential information and, therefore, are sent directly to the employee at the home address or appropriate financial institution.

Administrative notices announcing the move of the Disbursing Office were sent both to the home and to the office. In the future, this type of notice, like those for seminars on the retirement system will only be sent through inside mail.

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

STATEMENT OF LARRY SMITH, DEPUTY SENATE SERGEANT AT ARMS
AND DOORKEEPER

ACCOMPANIED BY:

PHIL LARSEN, ADMINISTRATIVE ASSISTANT TO THE SERGEANT AT
ARMS

MICK COTHEN, DEPUTY DIRECTOR, SENATE SERVICE DEPARTMENT

STATEMENT OF MR. LIEBENGOD

Senator D'AMATO. Let the record indicate that the Deputy Sergeant at Arms is here, inasmuch as Mr. Liebengood is confined to bed under doctor's orders.

Mr. SMITH. If it is agreeable with you, Mr. Chairman, I would just like to read Mr. Liebengood's opening statement, and we are willing to respond to any questions you may have.

Senator D'AMATO. Please proceed.

Mr. SMITH. Mr. Chairman and members of the committee, I am pleased to be able to meet with you again to discuss the activities of the Office of the Sergeant at Arms and to seek your approval of our funding request for fiscal year 1984. I am most appreciative of the support and assistance I have received from this committee and your most able staff during the past 2½ years.

In my prior two appearances before the committee I have continued to emphasize the one goal that I set forth when I was elected Sergeant at Arms on January 5, 1981, that being, to provide the Senate with the best possible service in the most cost effective manner. Again this year, I am happy to report that we have continued to make progress within the context of this goal. Before turning to our budget request for 1984, I would like to briefly discuss some of our most notable accomplishments. A more detailed summary is presented in the supplement to this statement.

To date, I am proud to report that by emphasizing cost effectiveness, modernizing procedures, and reorganizing staff responsibilities, we have saved the Senate \$27,972,000 since January 1981. At the same time, I believe we have provided a larger scale of service that is of a higher quality, all done in a shorter period of time. Specifically, Mr. Chairman, I would like to mention a few examples.

EXAMPLES OF SAVINGS EFFECTED

By implementing a program of using third-class bulk sort for mass mailings and card stock for town meeting notices, \$18 million was saved in fiscal years 1981 and 1982. Another \$5.3 million has been saved during the first 4 months of fiscal year 1983.

By emphasizing cost effectiveness, we have made better decisions regarding equipment acquisitions, lease, or purchase. In so doing, we have saved \$2.2 million in the Senate Computer Center.

By expanding our in-house equipment maintenance program we saved \$140,000 during fiscal year 1982 and the first 4 months of fiscal year 1983.

By reorganizing staff responsibilities and simplifying and modernizing procedures, the staff of the accounting office has been reduced from 14 to 5, for an annual savings of \$188,000.

By implementing modern production control techniques, the Service Department has increased its addressing output of newsletters from 118 million in 1980 to 214 million in 1982, an increase of 81 percent.

Mr. Chairman, these accomplishments represent actual savings. I believe, however, there is room for further improvement and even greater savings. Let me mention, for example, two actions that will provide even more payoff in the months to come.

First, we have recently concluded an agreement with MCI Telecommunications, Inc., to provide the Senate with long-distance telephone service. The rates charged by MCI are considerably lower than those we are currently paying. We estimate this new service will save approximately \$250,000 annually.

MAJOR EFFORT IN TELECOMMUNICATIONS

It should be noted, however, that we do not plan to stop at this point. The entire field of telecommunications is undergoing tremendous change. New service, companies, and equipment are being announced almost daily. Further, the scope of telecommunications is being broadened to include all forms and means of transmission. During the next year we will be undertaking a major effort to make sure the Senate takes advantage of the new technology and competitiveness that is now just beginning.

The Senate Computer Center has recently acquired a software package that, when fully implemented, should save approximately \$2 million per year in postal expenditures for newsletters.

Mr. Chairman, there are other opportunities for further improvement and savings. I look forward to meeting these challenges and to working with you, this committee and its staff, and the other members and committees to provide the Senate with the best possible services in the most economical manner within the context of doing business in the 1980's.

Turning now to the 1984 budget request for the Office of the Sergeant at Arms, let me begin by saying that I have supplied an organizational statement in the supplement and numerous charts and tables which provide the details of this request. I will be happy to answer any questions you may have, but in the interest of time let me discuss the highlights of our 1984 budget.

HIGHLIGHTS OF 1984 BUDGET

First, I am requesting \$32,123,000 for salaries. This is an increase of \$3,649,000 over the amount available in 1983, including the supplemental for the October 1982 pay increase. Of this increase, however, \$3,292,000 represents a transfer from funds previously appropriated to the Secretary of the Senate for longevity payments. The remaining \$377,000 is required, to cover on an annualized basis, positions that were held vacant for most of this year and some pay adjustment. Pursuant to the instructions of the majority leader, I am not requesting any funds for new positions.

Operating under this level of funding will not be easy, particularly since all of our data leads us to believe the demand for services will continue to grow. However, I have directed my staff to concentrate on managing their people, positions, and money in such a way to meet this expended demand. We know, for example, we will need additional personnel to handle mail deliveries in the Hart Building and we probably need some additional staff in telecommunications in order to accomplish the goals I stated earlier. I hope, however, I will continue to receive the cooperation of this committee to reprogram funds, provided, of course, we can offset any increases for salaries by larger savings in our expense appropriations.

The 1984 appropriation request for expenses is \$32,739,000, an increase of \$3,794,000 over the amount available for fiscal year 1983. Of that increase, \$3,031,000 is for increases required by the Senate Computer Center. In general, these increases fall into three major categories: Processor replacement, \$1,137,000; terminal utilization and acquisition, \$1,121,000; and increased use of the CMS services, \$660,000. The remaining net increase of \$763,000 is for the Service and Facilities and Financial Management Departments to cover increases in State office leases, furniture, and furnishings.

I believe these increases are the minimum necessary to meet current demand. It will take a great deal of skill to manage our resources to live within this level of funding, but I am confident we can hold the line without limiting services.

Mr. Chairman, there is one minor language change that I would propose. Last year this committee approved my request to allow officers of the Senate to use the Photographic Studio under the same conditions as a Member. I would like now to request the same privileges regarding the Recording Studio. With your approval of this language change, we will be able to utilize the services of the Recording Studio in support of the Senate seminar program which is jointly sponsored by the Sergeant at Arms and the Secretary of the Senate.

This concludes my opening statement on the 1984 budget request. I would be happy to answer any questions you or the committee may have.

Senator D'AMATO. At this point in the record, we will insert the supplementary information you have submitted.

[The information follows:]

Sergeant at Arms

ACCOMPLISHMENTS

January, 1981 to Present

Since January, 1981, the Office of the Sergeant at Arms has implemented numerous changes. Services have been expanded, departments reorganized and new technology has been introduced. All of these changes have been implemented in accordance with the goal set forth in January of 1981; that being, to provide the Senate with the best possible service in the most economical manner.

Listed below are the most significant actions taken in this regard,

A. Computer Center

1. By emphasizing cost effectiveness in the area of equipment acquisitions (lease or purchase) the Computer Center has achieved a cost avoidance of \$2,203,000.
2. By working with the Government Printing Office, the cost of purchasing paper for the Computer Center has been reduced by \$75,000 per year.
3. By strengthening our negotiating procedures, a cost savings of \$337,000 has been achieved in the area of contracts for equipment and services.

B. Facilities and Financial Management

1. By reorganizing responsibilities and simplifying and modernizing procedures, the staff of the accounting office has been reduced from 14 to 5 for an annual savings of \$188,000.
2. The Senate Barber Shop, formerly located in the basement of the Capitol was closed and replaced by a private contractor resulting in an annual savings of \$55,000.

C. Post Office

1. By reorganizing shift schedules the Senate Post Office reduced the size of its staff by 27 positions and thereby saving \$274,000 each fiscal year.

D. Service Department

1. By implementing a program of promoting Third Class Bulk Sort for mass mailings and use of card stock for town meeting notices, \$18,000,000 was saved in fiscal years 1981 and 1982. In addition another \$5,300,000 has been saved during the first four months fiscal year 1983.

2. By expanding the in-house maintenance program, \$85,000 was saved in fiscal year 1982. Another \$55,000 has been saved during the first four months of fiscal year 1983.

E. Capitol Police

1. Through an extensive manpower utilization review, the Capitol Police restructured duty assignments which resulted in eliminating 68 man-years of duty that was previously required for a savings of \$1,400,000.

In addition to the above accomplishments which have attributable dollar savings, the Office of the Sergeant at Arms has implemented a number of other actions which will produce future cost savings or will increase productivity and service levels. Most important among these are the following:

A. A recently concluded agreement with MCI, Telecommunications Inc. to provide the Senate with long distance telephone service at a rate that is about 30% less than the current rate. This action should save the Senate about \$250,000 per year.

B. The Computer Center and Service Department were reorganized. Further, a new directorate of Facilities and Financial Management was created to coordinate the activities of a number of heretofore independent departments. The result of these actions, although not readily quantifiable in dollar savings, is to provide better coordination between and among the different organizations within the Office of the Sergeant at Arms. Further, these actions have resulted in increased customer support, improved budgetary control and planning and improved employee morale.

C. The Computer Center is putting increased emphasis on evaluating commercially available software packages to meet Senate requirements as opposed to developing the programs in-house.

D. The Computer Center has recently acquired a software package which, when fully implemented, should save approximately \$2,000,000 per year in postal expenditures for newsletters.

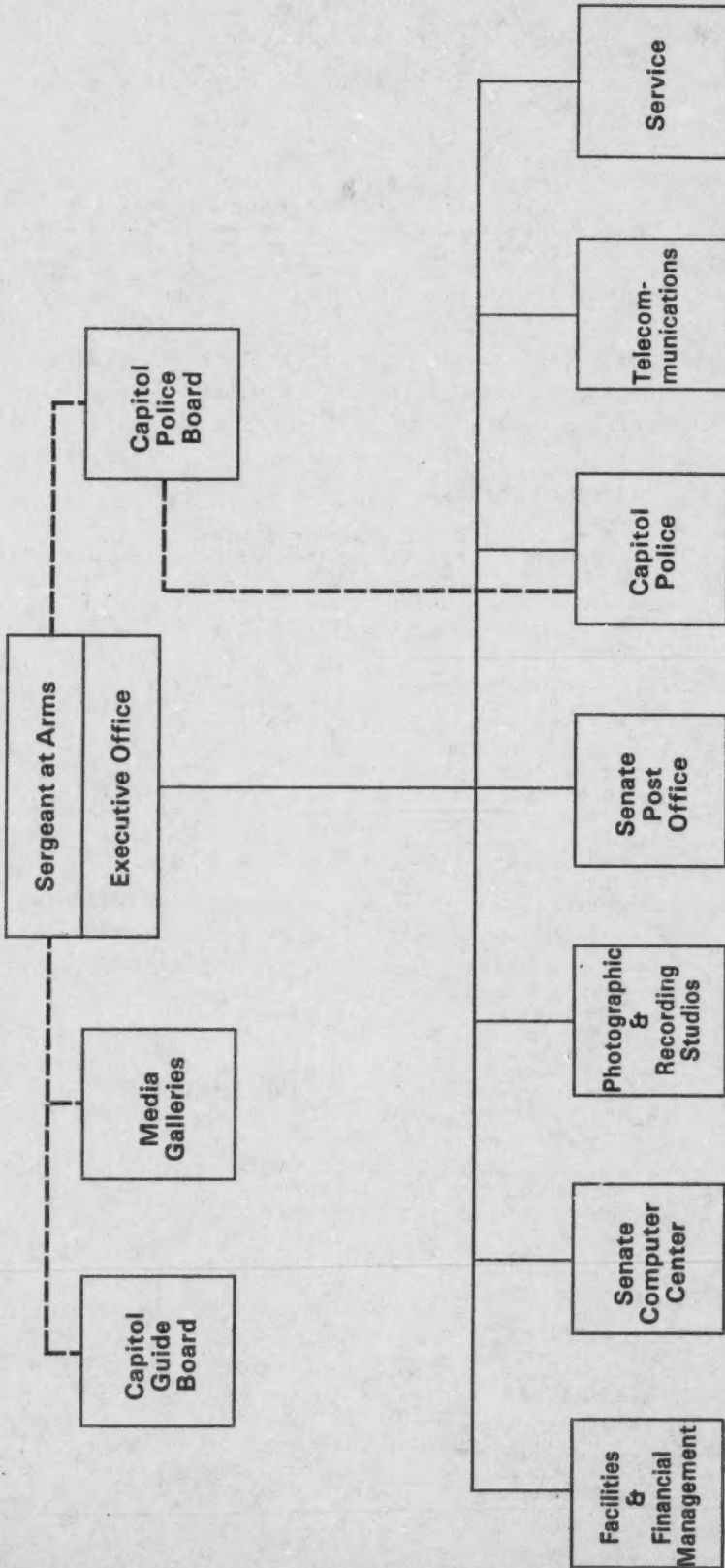
E. A terminal management program is being developed which will provide for improved utilization and distribution of office terminals.

F. The Service Department implemented a system of modern production control techniques which has largely been responsible for a productivity increase of 81% in two years in addressing output (118 million in 1980 vice 214 million in 1982).

G. The Service Department established environmental and safety programs to the benefit of the health and safety of its employees.

H. The Human Resource Department was established and began work to develop uniform personnel policies, pay schedules and promote employee mobility.

Senate Sergeant at Arms



UNITED STATES SENATE
SERGEANT AT ARMS
FUNCTIONS AND ORGANIZATION

The Senate elected its first Sergeant at Arms on April 7, 1789. Because the Senate proceedings were secret in those days, the Sergeant at Arms' primary responsibility was to ensure security of the Chamber and to control access. Later, because of pressure from the media and the public the doors were opened and the Sergeant at Arms was charged with increased security responsibilities in order to maintain decorum in the Chamber.

Since those early days, more and more responsibilities have been placed under the Sergeant at Arms' jurisdiction. Today, Howard S. Liebengood, the 24th person to be elected as Sergeant at Arms of the United States Senate, is responsible for eight separate departments, 1,329 employees, and an annual budget of nearly \$65 million.

Listed below, are the major functions of the modern-day Sergeant at Arms and following that, a brief discussion of the office's organizational structure thru which these responsibilities are performed.

Functions

A. Chief Administrative Officer

1. Provides executive direction and leadership to the departments under his jurisdiction.
2. Requests and justifies submissions for appropriations and authorizations from the Subcommittee on Legislative Appropriations and the Committee on Rules and Administration.
3. Allocates appropriated funds among his various jurisdictions and supervises the obligation and expenditure of these funds.
4. Establishes personnel policies that are consistent to all employees and are in accordance with sound, modern-day management procedures.
5. Serves as a member of the Senate Management Board.
6. Directs the activities of the Senate Doorkeepers.
7. Provides, in cooperation with the Committee on Rules and Administration, and the Secretaries for the Majority and Minority, management direction for the Senate Page Program.
8. Serves as member, and Chairman in odd numbered years, of the Capitol Guide Board.
9. In cooperation with the Committee on Rules and Administration, oversees the day to day activities of the four media galleries (Press, Radio-TV, Periodical and Photographers).

B. Chief Law Enforcement Officer

1. Serves on the Capitol Police Board and is its Chairman each odd numbered year.
2. Supervises the security program of the Senate.
3. Enforces Senate rules and regulations pertaining to the admittance and conduct of visitors to the Senate Chamber, the Senate Wing of the Capitol, and the Senate Office Buildings.
4. Coordinates security arrangements and procedures with other law enforcement agencies regarding visits to the Capitol by the President, Vice President, Officers of the executive branch, dignitaries of other nations and public demonstrations and events.
5. Make arrests as required, and pursuant to a Senate order, may be empowered to arrest anyone, including the President and Members of the Senate.

C. Protocol Officer

1. Greets and escorts the President, Vice President, and other dignitaries during visits to the Capitol.
2. Organizes in cooperation with the Inaugural Committee the Inauguration Ceremony for the President and Vice President.
3. Arranges funerals of Senators who die while in office.
4. Coordinates Senate participation for public events requiring official Senate representation and escorts the Members attending such events.

Organization

- A. Executive Office (1983 99 positions; \$1,828,000)
(1984 99 positions; \$1,914,000)

The Executive Office consists of the Sergeant at Arms and his principal assistants.

1. Deputy Sergeant at Arms - Serves as the Sergeant at Arms during his absence and assists, as directed, the Sergeant at Arms in performing all of his responsibilities
2. Administrative Assistant - Serves as the office's budget officer and performs other management projects as assigned.
3. Executive Assistant - Provides direction to the Senate doorkeepers and serves as the representative of the Minority within the Office of the Sergeant at Arms.
4. Special Assistant - Organizes and implements the Senate Seminar programs and performs other duties as directed.
5. Director, Human Resources - Oversees all personnel functions of the Office and supervises the Senate Placement Office.

- B. Computer Center (1983 217 positions; \$6,037,000
 expenses; \$10,900,000)
 (1984 217 positions; \$6,639,000
 expenses; \$13,931,000)

The Computer Center provides information services to the Senate in support of its legislative business, policy analysis, office administration, and constituent responsibilities. The Center continuously evaluates the information needs of the Senate to ensure that the appropriate technology is provided to obtain, analyze, manage and disseminate information. In order to accomplish this mission the Computer Center is organized into four divisions as follows:

1. Educational Services and Support - This Division provides Senate staff with a comprehensive orientation to the various automated systems that are available, teaches the skills necessary to operate these systems, provides day to day support for system utilization, and coordinates all user requests for system enhancements.
2. Administrative and Analytical Programs - This Division provides system analysis, design, and programming necessary to support the on-going as well as future needs of Senate Members, Committees and Officers in the areas of legislative investigations, survey analyses and computer graphics.
3. Legislative, Indexing, and Publications Program - This Division provides analytical and programming support in the areas of official record keeping, automated publications, on-line indexing and Senate mailing systems.
4. Computer and Communications Facilities-- This Division provides engineering and operation of the Senate Computers and its data communications network. It maintains the operating system software and other software packages, evaluates and tests new software and identifies and corrects operational breakdowns or bottlenecks. The Division also plans, develops and implements an automated mechanism for transferring information between a Senate office on Capitol Hill and a state site.

- C. Capitol Police (1983 577 positions; \$11,787,000)
 (1984 577 positions; \$13,580,000)

The United States Capitol Police are responsible for providing security for the Congress and the Capitol Buildings and Grounds, assisting the numerous visitors to Capitol Hill and the prevention of crime. The Department is divided into three major elements as follows:

1. Field Operations--This unit constitutes the majority of the force and is divided into four major details; the Capitol Detail, Senate Detail, Patrol Detail and the House Detail. Members of these details, primarily concerned with the security of the Capitol Grounds, operate a system of patrols both within the buildings and on the grounds for the purpose of detecting and investigating any unusual activity, and to provide a visual deterrent to those contemplating unlawful acts.
2. Investigations--This unit is comprised of Protective Services, Criminal Investigations and Special Investigations. It is the responsibility of the members of Investigations to provide security for the Senate and House Chambers and Galleries and to investigate any alleged criminal activity. Plainclothes personnel, trained in the techniques of dignitary protection, are available for use as an added, low profile, precaution at potentially controversial hearings, for the protection of visiting dignitaries, and to provide individual protection for recipients of substantive threats of violence.
3. Staff and Auxiliary Services--This is the administrative and technical arm of the force. Training, Personnel, Planning, Vehicle Maintenance, Communications and Property are areas of responsibility for members assigned to the Staff and Auxiliary element.

D. Facilities and Financial Management

(1983	131 positions;	\$2,084,000	Expenses;	\$5,420,000)
(1984	131 positions;	\$2,387,000	Expenses;	\$6,177,000)

In November, 1982, the Office of the Sergeant at Arms consolidated several of the service and facility related functions of the office into one department. The purpose of this action was to provide better coordinated and timelier services as well as to effect better cost control. The sections and functions of this new department are described below.

1. Accounting Office - This office is primarily responsible for all financial reporting requirements for funds appropriated to the Sergeant at Arms. Other responsibilities of this office include: procurement and inventory of furniture and furnishings for the Capitol Building; leases and allowances relative to state office space and mobile offices; travel and training authorizations and payments; Congressional tags; the Automobile and Maintenance account; and coordination of services relative to Presidential inaugurations and funerals.

2. The Cabinet Shop - This office constructs and maintains furniture for Senate offices in the Capitol building including all Chamber furniture. Additional functions include picture framing and monitoring of framing allowances, lock and key service for Senate Offices and furniture, and finishing and upholstery services.
3. Parking Office - The basic responsibilities of the Parking Office are to administer an efficient system of parking allocation procedures for Senate Staff and to utilize available space to the maximum extent possible.
4. Hair Care Services - This unit consists of three shops or salons. The two salons are operated by private contractors and the Senate Barber Shop is a more traditional hair cutting facility staffed by Senate employees. All of these facilities are open to the public.
5. Custodial Services - This unit is responsible for cleaning and maintaining the Senate Wing of the Capitol, moving furniture and other items, and the setting up of conference rooms for hearings and other events.

E. Photographic and Recording Studio

(1983 29 positions; \$895,000)
 (1984 29 positions; \$968,000)

The Senate Photographic and Recording Studios were consolidated in 1981. They are funded, except for salaries, by a revolving fund which is supported in full by user fees charged to Members.

The Photographic Studio provides a variety of photo services while the Recording Studio provides radio and television services.

F. Senate Post Office

(1983 52 positions; \$941,000)
 (1984 52 positions; \$996,000)

The Senate Post Office receives all Senate mail, passes it through x-ray machines, sorts and distributes the mail. It also maintains a riding page service for the delivery of mail to specific locations in the Washington, D.C. area. Further, it maintains a small post office which allows Members and staff to buy stamps and mail packages.

G. Telecommunications

(1983 24 positions; \$495,000 Expenses; \$6,800,000)
 (1984 24 positions; \$591,000 Expenses; \$6,486,000)

The Telecommunications Department is responsible for providing the Senate with both local and long distance telephone service. It also recommends specialized equipment in order to meet unique requirements, and work with the

staff to ensure they have available the most efficient, yet economical, equipment that will fill their needs.

H. Service Department

(1983 184 positions; \$3,835,000 Expenses; \$5,825,000)

(1984 184 positions; \$4,425,000 Expenses; \$6,145,000)

The Service Department is chartered to: (a) provide Production Services in two areas, Graphic Arts (i.e. Pre Press, Printing, Folding, Addressing, etc.) and Micrographics; (b) the acquisition, allocation, accounting and maintenance of authorized office equipment for the Service Department; (c) oversee the acquisition, allocation, accounting and maintenance of authorized furniture and fixtures provided Senatorial State offices by G.S.A. and; (d) storage and distribution of bound documents published for the Senate under the auspices and at the direction of the Joint Committee on Printing.

In order to provide these services to the Senate the Service Department is organized into two divisions:

1. The Logistical Services Division which provides procurement, maintenance, storage, movement and supply services necessary to mission accomplishment.
2. The Reprographics Division which is responsible for the production aspects of the Service Department Charter.

I. News Media Galleries (1983 16 positions; \$572,000)
(1984 16 positions; \$623,000)

News Media Galleries serve as a liaison between the Senate and accredited newspaper, magazine and broadcasting correspondents. Galleries provide facilities for accredited correspondents to cover activities of Congress. Under the direction of the Committee on Rules and Administration the Sergeant at Arms administers the operation of these galleries.

OFFICE OF THE SERGEANT AT ARMS
AND DOORKEEPER
(IN THOUSANDS OF DOLLARS)

<u>SALARIES</u>	<u>FY 83</u>	<u>FY 84</u>	<u>INCREASE/DECREASE</u>
FY 1983 Positions	\$27,378		
10/1/82 Pay Increase	1,096		
Total FY 83 Obligations	\$28,474	\$28,474	
Requested New Positions		---	
Annualization of FY 83 Positions		357	\$ 357
Transfer of Longevity Payments		3,292	3,292
Total FY 84 Request		\$32,123	\$3,649

<u>EXPENSES</u>	<u>FY 83</u>	<u>FY 84</u>	<u>INCREASE/DECREASE</u>
Facilities & Financial Management	\$ 5,420	\$ 6,177	\$ 757
Computer Center	10,900	13,931	3,031
Service Department	5,825	6,145	320
Telecommunications	6,800	6,486	(314)
Total Expenses	\$28,945	\$32,739	\$3,794
Automobiles & Maintenance	90	90	---
Total Budget Request	\$57,509	\$64,952	\$7,443

EXECUTIVE OFFICE SUMMARY

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
<u>SALARIES, SUMMARY (99)</u>			
FY 83 Positions.....	1,758		
Add: October 1 COL Increase.....	<u>70</u>		
Total FY 83 Obligations.....	1,828		
FY 84 Base.....		1,828	
Longevity Compensation.....		<u>86</u>	86
Total FY 84 Request.....		1,914	86

EXECUTIVE OFFICE

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
<u>SALARIES, EXECUTIVE (13)</u>			
FY 83 Positions.....	466		
Add: October 1 COL Increase.....	<u>19</u>		
Total FY 83 Obligations.....	485		
FY 84 Base.....		485	
Longevity Compensation.....		<u>18</u>	18
Total FY 84 Requested.....		503	18

SENATE PAGES

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
<u>SALARIES, PAGES (30)</u>			
FY 83 Positions.....	281		
Add: October 1 COL Increase.....	<u>11</u>		
Total FY 83 Obligations.....	292		
Total FY 84 Requested.....		292	

HUMAN RESOURCES

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
<u>SALARIES, HUMAN RESOURCES (7)</u>			
FY 83 Positions.....	184		
Add: October 1 COL Increase.....	<u>7</u>		
Total FY 83 Obligations.....	191		
FY 84 Base.....		191	
Longevity Compensation.....		<u>8</u>	
Total FY 84 Requested.....		199	
			<u>8</u>
			8

CHAMBER		FISCAL YEAR 1983	FISCAL YEAR 1984	INCREASE/DECREASE
<u>SALARIES, CHAMBER (44)</u>				
FY 83 Positions.....	782			
Add: October 1 COL Increase.....	<u>31</u>			
Total FY 83 Obligations.....	813			
FY 84 Base.....			813	
Longevity Compensation.....			<u>60</u>	60
Total FY 84 Requested.....			873	60
SPECIAL EMPLOYEES		FISCAL YEAR 1983	FISCAL YEAR 1984	INCREASE/DECREASE
<u>SALARIES, SPECIAL EMPLOYEES (5)</u>				
FY 83 Positions.....	45			
Add: October 1 COL Increase.....	<u>2</u>			
Total FY 83 Obligations.....	47			
Total FY 84 Request.....			47	

FACILITIES AND FINANCIAL MANAGEMENT DEPARTMENT

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
<u>SALARIES, SUMMARY</u>			
FY 83 Positions.....			
Add: October 1 COL Increase.....	2,003		
	<u>81</u>		
Total FY 83 Obligations.....	2,084		
FY 84 Base.....			
Longevity Compensation.....		2,084	
Total FY 84 Request.....		<u>303</u>	<u>303</u>
		2,387	303

<u>EXPENSES, SUMMARY</u>			
200 Travel/Training.....	15	15	
300 Rentals/Leases.....	4,865	5,170	305
400 Purchases.....	343	843	500
500 Other Services.....	<u>197</u>	<u>149</u>	<u>-48</u>
Total Requested.....	5,420	6,177	757

<u>SUMMARY</u>			
Salaries.....			
Expenses.....	2,084	2,387	303
Total.....	<u>5,420</u>	<u>6,177</u>	<u>757</u>
	7,504	8,564	1,060

ACCOUNTING OFFICE

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
<u>SALARIES, ACCOUNTING (6)</u>			
FY 83 Positions.....	136		
Add: October 1 COL Increase.....	<u>5</u>		
Total FY 83 Obligations.....	141		
FY 84 Base.....		141	
Longevity Compensation.....		<u>9</u>	<u>9</u>
Total FY 84 Request.....		150	<u>9</u>

EXPENSES, ACCOUNTING

200 Travel/Training.....	15		
300 Rentals/Leases.....	4,865	15	
400 Purchases.....	195	5,170	305
500 Other Services.....	<u>170</u>	695	500
Total Requested.....	5,245	<u>122</u>	<u>-48</u>
		6,002	757

SUMMARY

Salaries.....	141	150	9
Expenses.....	<u>5,245</u>	<u>6,002</u>	<u>757</u>
Total.....	5,386	<u>6,152</u>	<u>766</u>

SENATE BARBER SHOP

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
<u>SALARIES, BARBER SHOP (7)</u>			
FY 83 Positions.....	140		
Add: October 1 COL Increase.....	<u>6</u>		
Total FY 83 Obligations.....	146		
FY 84 Base.....		146	
Longevity Compensation.....		<u>16</u>	<u>16</u>
Total FY 84 Requested.....		162	16

SENATE CABINET SHOP

	FISCAL YEAR 1983	FISCAL YEAR 1984	INCREASE/DECREASE
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SALARIES, CABINET SHOP (9)

FY 83 Positions.....	221		
Add: October 1 COL Increase.....	<u>9</u>		
Total FY 83 Obligations.....	230		
FY 84 Base.....		230	
Longevity Compensation.....		<u>31</u>	<u>31</u>
Total FY 84 Requested.....		261	31

EXPENSES,

400 Purchases.....	33	33
500 Other Services.....	<u>2</u>	<u>2</u>
Total Requested.....	35	35

SUMMARY

Salaries.....	230	261	31
Expenses.....	<u>35</u>	<u>35</u>	--
Total.....	<u>265</u>	<u>296</u>	<u>31</u>

CUSTODIAL SERVICES

FISCAL YEAR 1983 FISCAL YEAR 1984 INCREASE/DECREASE

SALARIES, CUSTODIAL SERVICES (66)

FY 83 Positions.....	948		
Add: October 1 COL Increase.....	<u>38</u>		
Total FY 83 Obligations.....	986		
FY 84 Base.....		986	
Longevity Compensation.....		<u>185</u>	<u>185</u>
Total FY 84 Requested.....		1,171	<u>185</u>

EXPENSES, CUSTODIAL SERVICES

400 Purchases.....	115		
500 Other Services.....	<u>25</u>		
Total Requested.....	140		

SUMMARY

Salaries.....	986	1,171	185
Expenses.....	<u>140</u>	<u>140</u>	<u>-</u>
Total.....	1,126	<u>1,311</u>	<u>185</u>

SENATE GARAGE

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
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SALARIES, GARAGE (10)

FY 83 Positions.....	192		
Add: October 1 COL Increase.....	<u>8</u>		
Total FY 83 Obligations.....	200		
FY 84 Base.....		200	
Longevity Compensation.....		<u>30</u>	30
Total FY 84 Requested.....		230	30

PARKING DEPARTMENT

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
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SALARIES, PARKING (33)

FY 83 Positions.....	366		
Add: October 1 COL Increase.....	<u>15</u>		
Total FY 83 Obligations.....	381		
FY 84 Base.....		381	
Longevity Compensation.....		<u>32</u>	32
Total FY 84 Requested.....		413	32

SENATE COMPUTER CENTER			
	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
<u>SALARIES, COMPUTER CENTER (217)</u>			
FY 83 Positions.....	5,805		
Add: October 1 COL Increase.....	<u>232</u>		
Total FY 83 Obligations.....	6,037	6,037	
Annualization of FY 83 Positions.....		<u>188</u>	<u>188</u>
FY 84 Base.....		6,225	188
Longevity Compensation.....		<u>414</u>	<u>414</u>
Total FY 84 Request.....		6,639	602
<u>EXPENSES, COMPUTER CENTER</u>			
200 Travel/Training.....	140	140	---
300 Rentals/Leases.....	3,859	5,984	2,125
400 Purchases.....	911	880	-31
500 Other Services.....	4,770	5,754	984
600 Communications.....	<u>1,220</u>	<u>1,173</u>	<u>-47</u>
Total Requested.....	10,900	13,931	3,031
<u>SUMMARY</u>			
Salaries.....	6,037	6,639	602
Expenses.....	<u>10,900</u>	<u>13,931</u>	<u>3,031</u>
Total	<u>16,937</u>	<u>20,570</u>	<u>3,633</u>

U.S. SENATE COMPUTER CENTER FY 84 BUDGET REQUEST--ATTACHMENT IV

Explanation of Ongoing Expense Budget Change: FY83 to FY84

Category	FY83 Budget	FY84 Budget	Ongoing Change	Reason for Change
Travel	100,000	100,000	0	No Change
Training	40,000	40,000	0	No Change
Computers, Controllers & Peripherals	1,165,000	2,362,000	+1,197,000	Annualize 3rd 9700 + 120,000 Processor Replacement +1,137,000 Reduce Contingency - 60,000
Publication Processors	406,000	406,000	0	No Change
Terminals	1,779,000	2,900,000	+1,121,000	Annualize FY83 Additions - 492,000 Expiration of extended warranty on AJ Maintenance 216,000 User Demand - 413,000
Network Processors	453,000	418,000	(-35,000)	Stabilized Environment

Explanation of Ongoing Expense Budget Change: FY83 to FY84

Category	FY83 Budget	FY84 Budget	Ongoing Change	Reason for Change
State Communications	1,899,000	1,876,000	(-23,000)	Lower Contingency for AT&T Rate Increase
Software	530,000	613,000	+83,000	License/Mtce. Price Increases - 30,000 Additional Licenses to on 3rd CPU -53,000*
Space	583,000	595,000	+12,000	Contract Escalation
Supplies	335,000	351,000	+16,000	Price Increases
Professional Services	45,000	45,000	0	No Change
Timesharing	3,565,000	4,225,000	+660,000	CMS Contract for Letter Production - User Oriented
TOTAL	10,900,000	13,931,000	+3,031,000	

*3rd CPU Software - The FY83 computer capacity upgrade plan proposes elimination of the 3rd CPU. If accepted, funding for the additional software copies can be eliminated.

PHOTOGRAPHIC STUDIO

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
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SALARIES, PHOTOGRAPHIC STUDIO (13)

FY 83 Positions.....	326		
Add: October 1 COL Increase.....	<u>15</u>		
Total FY 83 Obligations.....	342		
FY 84 Base.....		342	
Longevity Compensation.....		<u>13</u>	<u>13</u>
Total FY 84 Request.....		355	<u>13</u>

RECORDING STUDIO

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
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SALARIES, RECORDING STUDIO (16)

FY 83 Positions.....	532		
Add: October 1 COL Increase.....	<u>21</u>		
Total FY 83 Obligations.....	553		
FY 84 Base.....		553	
Longevity Compensation.....		<u>60</u>	<u>60</u>
Total FY 84 Request.....		613	<u>60</u>

POST OFFICE			
<u>SALARIES, POST OFFICE (52)</u>		<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>
FY 83 Positions.....	905		
Add: October 1 COL Increase.....	<u>36</u>		
Total FY 83 Obligations.....	941		
FY 84 Base.....		941	
Longevity Compensation.....			
Total FY 84 Request.....		<u>55</u>	<u>55</u>
		996	55

U. S. CAPITOL POLICE			
<u>SALARIES, U. S. CAPITOL POLICE (577)</u>		<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>
FY 83 Positions.....	11,334		
Add: October 1 COL Increase.....	<u>453</u>		
Total FY 83 Obligations.....	11,787		
Annualization of FY 83 Positions.....			
FY 84 Base.....		11,787	
Longevity Compensation.....		<u>54</u>	<u>54</u>
Total FY 84 Request.....		11,841	54
		<u>1,739</u>	<u>1,739</u>
		13,580	1,793

TELECOMMUNICATIONS DEPARTMENT

FISCAL YEAR 1983 FISCAL YEAR 1984 INCREASE/DECREASE

SALARIES, TELECOMMUNICATIONS (24)

FY 83 Positions.....	475		
Add: October 1 COL Increase.....	<u>20</u>		
Total FY 83 Obligations.....	495	495	
Annualization of FY 83 Positions.....		<u>20</u>	
FY 84 Base.....		515	
Longevity Compensation.....		<u>76</u>	<u>76</u>
Total FY 84 Requested.....		591	<u>76</u>

EXPENSES, TELECOMMUNICATIONS

600 Communications	<u>6,800</u>	<u>6,486</u>	<u>-314</u>
Total Requested.....	6,800	6,486	-314

SUMMARY

Salaries.....	495	591	96
Expenses.....	<u>6,800</u>	<u>6,486</u>	<u>-314</u>
Total.....	<u>7,295</u>	<u>7,077</u>	<u>-218</u>

SENATE SERVICE DEPARTMENT

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
<u>SALARIES, SERVICE DEPARTMENT (184)</u>			
FY 83 Positions.....	3,689		
Add: October 1 COL Increase.....	<u>146</u>		
Total FY 83 Obligations.....	3,835	3,835	
Annualization of FY 83 Positions.....		<u>95</u>	95
FY 84 Base.....		3,930	
Longevity Compensation.....		<u>495</u>	495
Total FY 84 Requested.....		4,425	590
<u>EXPENSES, SERVICE DEPARTMENT</u>			
200 Travel/Training.....	10	10	---
300 Rentals/Leases.....	1,961	2,311	350
400 Purchases.....	2,455	2,400	-55
500 Other Services.....	<u>1,399</u>	<u>1,424</u>	<u>25</u>
Total Requested.....	5,825	6,145	320
<u>SUMMARY</u>			
Salaries.....	3,835	4,425	590
Expenses.....	<u>5,825</u>	<u>6,145</u>	<u>320</u>
Total.....	9,660	10,570	910

RADIO-TV GALLERY

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
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SALARIES, RADIO-TV GALLERY (5)

FY 83 Positions.....	179		
Add: October 1 COL Increase.....	<u>7</u>		
Total FY 83 Obligations.....	186		
FY 84 Base.....		186	
Longevity Compensation.....		<u>16</u>	16
Total FY 84 Request.....		202	16

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DAILY PRESS GALLERY

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
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SALARIES, DAILY PRESS GALLERY (6)

FY 83 Positions.....	205		
Add: October 1 COL Increase.....	<u>8</u>		
Total FY 83 Obligations.....	213		
FY 84 Base.....		213	
Longevity Compensation.....		<u>16</u>	16
Total FY 84 Request.....		229	16

PRESS PHOTO GALLERY

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
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SALARIES, PRESS PHOTO GALLERY (3)

FY 83 Positions.....	91		
Add: October 1 COL Increase.....	<u>4</u>		
Total FY 83 Obligations.....	95		
FY 84 Base.....		95	
Longevity Compensation.....		<u>10</u>	10
Total FY 84 Request.....		105	10

PERIODICAL PRESS GALLERY

	<u>FISCAL YEAR 1983</u>	<u>FISCAL YEAR 1984</u>	<u>INCREASE/DECREASE</u>
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SALARIES, PERIODICAL PRESS GALLERY (2)

FY 83 Positions.....	75		
Add: October 1 COL Increase.....	<u>3</u>		
Total FY 83 Obligations.....	78		
FY 84 Base.....		78	
Longevity Compensation.....		<u>9</u>	9
Total FY 84 Request.....		87	9

TELECOMMUNICATIONS

Senator D'AMATO. In talking about the technological development in the telecommunications industry, what kind of impact will that have on the Senate?

Mr. SMITH. If I might, Mr. Chairman, I would like to refer this to Phil Larsen, since he is spending a great deal of time on this subject.

Mr. LARSEN. It is difficult to predict now because of the divestiture of Bell, which has been broken down into three, four, or more separate organizations. We will be forced to deal in a more competitive environment. Particularly, we will have difficult problems in dealing with State offices because we will no longer be able to deal with the telephone company here. We are going to have to deal with each separate telephone company around the country.

CAPITOL POLICE

Senator D'AMATO. Last year the committee had been told you could reduce approximately 50 Capitol police from the budget when some of the Senate annex buildings are closed. There is no recommendation containing any force reduction in this budget. Is it still your feeling that that would be a judicious move, or have you altered your opinion?

Mr. SMITH. Mr. Chairman, as soon as we know the schedule for demolition of those buildings and we know there are no longer any tenants in those structures, we will be able to make the needed reductions in force. As you know, we still need to find a home for the Capitol Police. They are presently housed in the Plaza Building; there are some offices in the Immigration Building. Until we know the timetable for the demolition of those buildings, we are going to have to wait on that.

Senator D'AMATO. How would you accomplish the force reduction, through attrition?

Mr. SMITH. Through attrition. In some cases we have not filled vacant positions. We have held some positions open; we have just not filled those.

LONGEVITY COMPENSATIONS

Senator D'AMATO. Last year both you and the Secretary of the Senate recommended elimination of the longevity compensation program. The committee has indicated it will support that in fiscal 1984. Do you still think such an action is in the best interests of the Senate?

Mr. SMITH. I think it is. We strongly believe that there should be two types of pay increases: The regular cost-of-living increases which are designed to keep Senate employees up with the cost of living, and the merit increases which are based on an individual's performance, taking into consideration the available funds we have for increases. We feel that longevity raises do nothing but reward someone for length of time spent here, and in many cases we are rewarding people that are not necessarily the best performers. We strongly recommend we go forward with eliminating longevity pay.

Senator D'AMATO. Don't you run the risk of having some problems in determining who should and who shouldn't get that merit raise, particularly as it relates to, say, the police service, the Capitol Police?

Mr. SMITH. We have instituted a program of reviewing every individual's performance on an annualized basis, and we have spent a great deal of time doing that and we think we can do it. It is done in private industry and we feel it is necessary to do it here as well.

Senator D'AMATO. I would be very reluctant to see you undertake that kind of thing without a little more exploration in depth as it relates to the Capitol Police, and I would like to hear something from the head of the police. I don't want to put him in the position of his boss zigging and him zagging. But I want to hear from him. I think you are going to have a problem when you try to distinguish the merit of one person who stands at the door and greets someone and someone else performing the same task. It becomes a subjective kind of judgment, as opposed to the professional staff. I am not suggesting there is less professionalism in one area as opposed to the other.

I have had something to do with local management. Three thousand people worked for me at one time. It is nice and easy to talk about merit raises, but you can create a very difficult managerial situation for yourself.

Do you have that many people that you can assign to that evaluation?

Mr. SMITH. One of our new programs is to train our supervisors in how to analyze and judge an individual's performance.

SENATE COMPUTER CENTER

Senator D'AMATO. I would rather see you get the computer system going. What has happened with that? We are operating a computer center that is in the horse-and-buggy days compared to what is taking place. Can you give me a little on that?

Mr. SMITH. Well, we think we are beginning to put together a long-range program in terms of catching up to the technology. We have had some problems with the Correspondence Management System. We acknowledge that. The growth in demands has far exceeded our expectation. Part of it is the fact that Members of the Senate are using it more and the mail coming in the Senate is of greater volume than we have experienced in the last couple of years.

Senator D'AMATO. Thanks to the 10-percent withholding. I think we generated about 220,000 letters, not including postcards. I don't think we have begun to answer those.

Mr. SMITH. In fact, the volume of mail processed through the Senate Post Office in January and February was exactly double what it was the year before in that same timeframe. We are seeking approval from this committee to provide us with funds so we can upgrade our computer center.

Senator D'AMATO. Tell me, what is your time schedule with regard to that?

Mr. SMITH. If we receive the approval of this committee, we will then, during the summer, go before the Rules Committee to seek authorization, with the hope that when we begin the new fiscal year we will be able to advertise for the new computer.

Senator D'AMATO. Do you think we will get the benefit at the rate we are going?

Mr. SMITH. What we are trying to avoid is running out of gas.

Senator D'AMATO. I think we really should go to the operators of it. It is not fair to the management team to have you trying to do the business of the Senate, which has increased at such an incredible volume. It just places a great stress and burden on everyone, the people there, in addition to the various Senate staff. Upgrading the capability is certainly something that I will support, and we want to look at that with some detail in terms of exactly what we are looking for. Because if we are going to modernize, I think it should not be short lived, but rather take into account continued development in the communications and computer areas and what we should be reasonably able to anticipate in terms of both demand and technology. And I think we should also attempt to get some kind of definition as to what the time frame will be. I think that is important, because otherwise we will just be repeating the problems. People will say we have dealt with that in previous appropriations.

The computer people have developed a proposal for replacement of the Correspondence Management System. What is the status of that proposal?

REPLACEMENT OF CMS

Mr. SMITH. Mr. Chairman, the status of that proposal is that we are in the final stages of refining the RFP. Our schedule is to submit that to the Rules Committee during the month of May for their approval. We hope to be able to send it out to the general marketplace sometime in June. It then will take approximately 90 to 120 days to receive those bids back. We are still talking a good 9, 12 months down the road. But we are on schedule and we feel we are in the final stage of replacement of CMS.

Senator D'AMATO. You indicated during your testimony that there is possible savings of \$2 million a year in postal expenditures for newsletters. Can you explain to this committee how you see that savings coming about?

Mr. SMITH. Yes. What the computer center has done, Mr. Chairman, is to acquire a software package which will allow us to sort mailing labels according to carrier route. So it will enable the Senate to send out all the newsletters as it is currently doing. We anticipate the annual savings for that will account for about \$2 million.

MAILING PROCEDURES

Senator D'AMATO. I don't mean to put you in a spot, but let me ask you this. What is the cost differential between mailing to occupant as opposed to naming a designated recipient? Do you have numbers on that?

Mr. SMITH. We can provide that.

Mr. COTTEN. Occupant-addressed mail would be the carrier-route sort. It works out to approximately the same postal rate.

Senator D'AMATO. In terms of what we are doing at the present time, is there any difference?

Mr. COTTEN. At the present time we are not breaking it down to carrier, we are breaking it to ZIP code.

Senator D'AMATO. So the rate we pay now would be slightly higher than occupant?

Mr. COTTEN. Slightly higher. About 1.7 cents per piece.

Mr. SMITH. With the high-volume letters the Senate sends out on an annualized basis, saving a penny on newsletters adds up.

Senator D'AMATO. So wouldn't it help a lot if you sent it to occupant so you wouldn't get many back, indicating the occupant had moved or is deceased? That costs 25 cents.

Mr. SMITH. Yes. The Rules Committee has been dealing with the issue of postal patron mailings, and I believe later this spring they have to report out some regulation. If the Senate approves, we would be in a position to provide you with that service. So there is that opportunity. But there are some negatives to that.

Senator D'AMATO. Would you care to expand?

Mr. SMITH. Some Members like to be able to target their mail, Mr. Chairman, and they have been able to develop these mailing lists over a period of years. They have a relationship with people in those terms.

Senator D'AMATO. Wouldn't they still be able to do that?

Mr. SMITH. They would. And I am not that familiar with the regulation, but the proposed regulation would limit their ability in terms of the volume they would be able to send out on a target basis. That is where the criticism lies. But the Rules Committee has been spending a considerable amount of time dealing with that. And as I said, it has provoked quite a bit of controversy in terms of potential.

Senator D'AMATO. Just a final thing. In the Service Department, last year the committee provided additional resources for the Service Department, which was producing newsletters at record levels. The committee suggested several areas where we believe additional savings are possible, such as strict use of third-class postage and elimination of the use of envelopes for newsletter mailings. What progress has been made in these areas?

Mr. SMITH. Mr. Chairman, we have been able to make a great deal of progress in these areas. I think at this point only four Senators are using envelopes from time to time. Almost all of the newsletters are self-mailers, which allows us to increase our productivity.

Senator D'AMATO. I am not one of those four Senators, am I?

Mr. SMITH. No.

We no longer are sending town meeting notices out in the envelope. It eliminates one process and it also allows us to send them out at a much lower postal rate. We are making progress, and we have had very good cooperation on the part of the Senators' offices in making those changes.

SUBMITTED QUESTIONS

Senator D'AMATO. We will have some additional questions to submit to you.

Mr. SMITH. We will be happy to respond.

Senator D'AMATO. Thank you.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

COMPUTER CENTER

Question: The Computer Center is requesting funds to obtain two new large computers. If this Committee provides the funds, what is the total purchase price, and over what period would the appropriations be spread?

Answer: Mr. Chairman, the plan of the Computer Center is to issue a Request for Price Quotation (RFQ) to the marketplace to obtain two new computers to replace the three currently installed decade-old computers. Until we receive actual bids, we cannot be certain what the exact price will be. For planning purposes, we know the Government (GSA) purchase price and lease prices for processors that would meet our minimum requirements. The one-time purchase price of the two replacement computers would be a total just in excess of \$5,000,000. Using GSA contracts, a straight rental of the equipment, including maintenance, would cost over \$2.3 million annually, with no ownership; a five-year lease to ownership plan would cost under \$1.7 million annually, providing ownership of the equipment at the end of the period. It is anticipated that the competitive procurement to be performed will result in substantially improved pricing. For budgetary purposes, we have assumed a four-year lease to ownership plan, requiring additional funding of \$1.7 million annually over the four-year period. In FY84, the request for additional funding is \$1,137,000, with installation to occur by the middle of November 1983. Funding in fiscal years 1985-1987 would be for \$1.7 million annually, while funding in FY88 would drop to under \$300,000. By FY88, Computer Economics Report forecasts that the equipment will still retain a residual value in excess of \$1.3 million.

Question: For what period of time will these computers handle projected Senate requirements?

Answer: Mr. Chairman, installation of the two new replacement processors should provide sufficient capacity for 15-18 months before incremental capacity upgrades would be needed. As projected demand becomes reality, an upgrade program would be instituted. The readily available upgrade capabilities of the new technology computers will allow for capacity upgrades in the 25%-35% range, rather than the 100% increases seen previously. In addition, the upgrades can be performed directly on the installed processors in a matter of hours, without going through the massive disruptions experienced with the total physical replacement of a computer system. The advantage to this planned capacity upgrade approach available with the new technology, is that upgrades can be deferred or accelerated, depending upon actual demand for services, and the magnitude of the changes will not be as dramatic as the recent increases in computing capacity. As part of our capacity planning effort we have identified an incremental capacity upgrade path, based on current products, which could be implemented over the next five years to assure sufficient capacity to meet Senate requirements. Additional upgrade options will most certainly become available during this five-year system life cycle, providing additional opportunity for meeting Senate needs in the most cost-effective manner.

Question: What plans do you have for the existing units?

Answer: Mr. Chairman, the installation of the two new processors would completely replace the three existing units. The current

processors would either be declared surplus and given to another agency, or sold on the open market, presumably as a source of parts for a hardware maintenance vendor. There is virtually no residual value in any of these decade-old computers, and many are now literally being melted down for recovery of the precious metals used in their construction.

Question: Why hasn't the increased capacity supplied last year sufficed?

Answer: Mr. Chairman, the increased capacity installed in May 1982 has serviced the increases in user demand in close accordance with Computer Center projections made in the analysis recommending the two 370/168 computers. According to analytical modeling done at the time, the 370/168's were expected to permit up to a 73% increase in on-line system transactions before the additional capacity became exhausted. Actual user demand for on-line services since May 1983 has resulted in a 100% increase in on-line transaction rates, with some applications approaching a 120% increase, far in excess of the capacity increase provided. Actions taken to service these user demands include: 1) retention of one of the 370/158 computers which was to be removed; 2) spreading of the production on-line services to multiple processors, thereby eliminating backup capability for production services in the event of a processor failure; and 3) severe curtailment of Computer Center test and development activities through response time degradation and batch job deferral to off-prime shifts. All three processors are now running at or close to saturation during the critical prime shift, and all known performance tuning actions have been exhausted. The Computer Center continues to monitor the systems closely and to review whether and when a moratorium on new users may be required pending the planned processor replacement. Mr. Chairman, the two 370/168 computers represent early 1970 technology and no longer support the full range of new operating system and application products through which continuing improvements in function and performance are routinely made available to computer users. The early 1982 installation of the two 370/168's was an attractive and essential solution to meeting the Senate's capacity shortfall at that time. It was, and continues to be, viewed as an appropriate action taken for short-term capacity relief. That short-term is now over, the processors are near saturation, responsiveness is degrading and unpredictable, and staff dependent upon the many authorized automated services for their daily work efforts are experiencing significant reductions in their personal job performance.

Question: Last year you stressed the need for a comprehensive long range plan for the Computer Center, and the Committee endorsed this suggestion. Are we any closer to a long range plan this year?

Answer: Mr. Chairman, I am pleased to advise you that as a result of last year's emphasis on long range planning needs, an active group has been meeting on a regular basis, addressing both the short and the long range information services needs of the United States Senate. This group is composed of senior members of my staff and of the Committee on Rules and Administration. The plan for capacity increases, spanning the period from FY83 through FY88, was developed in conjunction with this planning group, and has been endorsed as a reasonable approach to satisfying the needs of the Senate. Other areas, including office automation, the CMS replacement, terminal procurement, and applications development priorities, to name several, have all been reviewed and evaluated for their long-term implications. In summary, many components of a long

range plan for Senate information services are now being addressed by the senior level group established specifically for this task.

Question: You are requesting funds for additional usage of CMS. Could this increased need be temporary, related to the deluge of mail on interest withholding, or are you convinced that CMS use will continue to grow over the next year?

Answer: Mr. Chairman, we are convinced that the demand for use of the Correspondence Management System will continue to increase. In March 1983, the number of concurrent users able to sign onto CMS was increased from 300 to 350. At the time of that increase we were experiencing frequent occasions when users could not access the system, with as many as 48 operators waiting to sign on. While we concur that the deluge of mail regarding the withholding of dividends created an abnormally high volume of incoming mail, other constituent service requests have continued to cause a high number of operators to be signed onto CMS concurrently. During the two-month period in which access for up to 350 users has been available, there have been an average 284-307 concurrent users signed on during the morning prime hours, with a peak (based on random sampling) of 344 concurrent users. The demand for CMS services from Member and Committee offices, including state office installations, continues to grow and CMS services have expanded, as a result of user demand, into additional areas of office automation. For these reasons, we are projecting that by the second quarter of FY84, it will be necessary to contract for the next and highest service level available under the contract, 400 concurrent users.

Question: The Computer Center and Rules Committee have developed a proposal for a replacement for CMS. What is the status of that proposal, and what impact will the proposal have on appropriations for the Senate?

Answer: Mr. Chairman, a draft Request for Proposal (RFP) for the CMS replacement has been reviewed by GAO and subsequently, by the Federal Computer Performance Evaluation and Simulation Center (FEDSIM). We are currently studying their comments and addressing the recommendations made. The proposal should be available for vendor review and comment or bids by this summer. Any schedule for implementation and phasing out of CMS will be determined as a part of reviewing the responses from industry. There is currently no funding in the FY84 budget for the CMS replacement. As soon as any hardware and/or software are installed, tested, and made operational, funding will have to be available. At this point, we can only estimate the magnitude of funds since we do not know what will be the ultimate system configuration selected. We included the CMS replacement as an unfunded policy item in the FY84 budget submittal. Projections of just under \$7 million for FY84 have been made, of which \$5.3 million is for purchase of support processors, storage, and software license fees. These items could potentially be acquired on a longer term lease, reducing the annual expenditure but increasing the total system life cost.

Question: A proposal has been made to move the Computer Center from its present leased location at 400 North Capitol to the Senate-owned Immigration Building, and thereby save about \$600,000 in annual space lease charges. The Immigration Building will need substantial remodeling to suit the Computer Center needs. With this remodeling, are you certain the Immigration Building will suit the needs of the Computer Center?

Answer: Mr. Chairman, we have been working closely with members of the Architect of the Capitol's staff. Our requirements for facili-

ties, both for people and equipment, have now been provided to them for planning purposes. If these requirements can be met, then we will be certain that the building will suit the needs of the Computer Center for many years to come.

SERVICE DEPARTMENT

Question: Last year this Committee provided substantial additional resources for the Service Department, which was producing newsletters at record levels. The Committee also suggested several areas where it believed additional savings were possible, such as strict use of 3rd class bulk sort postage for newsletters, sole use of card stock for town meeting notices, and elimination of the use of envelopes for newsletter mailings. Please provide a detailed report on the response of the Service Department to the Committee's suggestions.

Answer: The course of action suggested by the Committee last year has been addressed by this office in three forms: (1) improved communications between the Service Department and Senate Offices advising them of the savings realized if the suggested methods are used; (2) inclusion of Town Meeting Notices into our Third Class Bulk Sort program and; (3) formal recommendations by me to the Committee on Rules and Administration that regulations governing mass-mail pursuant to P.L. 97-69 include the prohibition of envelopes for any mass mailing which lends itself to a self-mailer format and that Postal Patron be used for a Town Meeting Notice. I am pleased to report that the support and cooperation offered by Senate offices for these programs has proved most successful. During 1982, ninety-four percent of all newsletters were mailed at the Third Class Bulk Sort rate and envelopes are now used only to handle special requirements. Thus far in FY83, the Service Department mailed 9.5 million Town Meeting Notices; of these, only five percent were on paper at the First Class rate of .20¢.

Question: The Committee also suggested maximum use of temporary employees in the Service Department, due to the uneven peak and valley nature of newsletter production. What use has been made of temporaries thus far in FY83?

Answer: During FY83 the Service Department has employed nineteen individuals as temporary employees. They now utilize ten temporaries to handle current production requirements and Senate Office moves.

FINANCIAL MANAGEMENT

Question: The Committee is contemplating a change in the appropriations accounts within the Contingent Fund of the Senate. All expense funds for the Sergeant at Arms would be consolidated in a single, exclusive account under the Contingent Fund. Would such an arrangement offer advantages to your office?

Answer: From a fund accounting standpoint the contemplated change would be of great benefit in that account balances could be verified with other fiscal offices in the Senate. In addition, this change would eliminate the need for several line items in the budget for accounts such as "postage", etc. Finally, I believe this change would facilitate the operations of all fiscal offices with which we conduct business in that the "mixed" appropriations, multi-account structure would be eliminated.

Question: In previous years the expense budget request of the Sergeant at Arms has been apportioned within the "Miscellaneous Items" appropriation. This year a single amount was submitted for the Sergeant at Arms. Why? What benefits does this afford your office?

Answer: We have encountered numerous occasions to date, where funds have been reprogrammed between offices and/or departments due to unanticipated demands. By doing so, we have been able to use economies generated in one department to offset increases in another without a need to request additional funding. Current reprogramming procedures are cumbersome and often cause delays in operations. This "lump-sum" authority will provide this office with greater flexibility in fulfilling its mandate. The Committee, of course, would be notified of all such reprogramming actions.

TELECOMMUNICATIONS

Question: Your statement refers to savings possible through a new communications contract with MCI. What is the timetable for installation of the MCI system?

Answer: We anticipate that the MCI system will be operational on June 20, 1983. As this system is stabilized, we expect that Senate local and long-distance service costs will be reduced.

Question: Are additional savings in the telecommunication area foreseeable?

Answer: The final divestiture of A T & T will occur in January, 1984. While the full impact of this action is unknown at this time, we expect all aspects of the telecommunications market to become more competitive. We will see a larger number of companies marketing a larger number of products and services. We intend to closely monitor and assess these developments for the purpose of providing the Senate with the latest technology and cost efficient services. As this occurs, I believe that additional savings in the area are possible.

Question: What technological developments in the telecommunications industry will impact on the U.S. Senate in the near future?

Answer: While new developments are being announced everyday, there are a number of systems we are currently appraising. There is a unique new system utilizing a usage-sensitive service whereby domestic facsimile traffic may be routed through a digital store and forward computer switch which performs several value-added functions. This improves overall administrative efficiency and reduces operating costs. There are new alphanumeric display radio pagers which provide a readout of messages. These messages can be stored indefinitely and can be redisplayed, or even stopped to dial a phone number. A new business telecommunication system has been designed to provide a comprehensive set of system, station and attendant features, while lending a high degree of cost management and control to the communications director. Some of these features are integrated voice and data capability, electronic telephone set, and a display phone. This would allow the Senate to establish the class of service, set access restrictions to long distance lines, and handle telephone moves and changes internally through the Telecommunications Department at no additional cost.

QUESTIONS SUBMITTED BY SENATOR STEVENS

Question: What is the cost, per Senate office, of the Correspondence Management System?

Answer: Senator, the FY1983 costs for the Correspondence Management System for all offices now on the system (85 Member offices; the Office of the Vice President; 31 Committee/Subcommittee offices; 6 Administrative offices) are projected to be \$6,811,000, based on actual expenditures to date (May 1983) and projections through the end of the fiscal year. In a GAO report dated July 17, 1980, two methods of determining the share of total costs of CMS for an individual office were identified. The first method, based on ports allocated to a user's office, is not available, as the port allocation scheme has been discontinued. The second method identified, cost per letter, is still applicable and is the most appropriate manner in which costs can be allocated. Based on actual and projected production of 10,938,000 letters in FY1983, the average cost per letter is \$.62. This represents a dramatic reduction from the GAO computed average cost of \$1.77 per letter for Washington offices using 1979 expenditures, despite this being a four-year period in which inflationary pressures caused continual increases in salaries and expenses.

Question: What methodology was used for cost allocation, detailing every cost factor and method used for allocating any general overhead, as well as justification for any costs not so allocated?

Answer: Senator, the items used in the cost allocation are the same as those used by GAO in their 1979 analysis, plus allocated costs of the Xerox 9700 high-speed printing systems, which were introduced after the period of GAO study.

This includes the following annual primary common costs:

1. On-Line Systems Contract Cost - (\$3,493,000) for computer time sharing and related services.
2. Senate Computer Center Staff Salaries - (\$421,000) for 14 full-time support personnel and 50% of the salaries for 6 educational technology support personnel.
3. Travel Expenditures - (\$27,000) incurred by Senate Computer Center staff for installing and managing the state office network along with training state office staff.
4. Terminal Costs - (\$663,000) including the cost of leased terminals purchased after fiscal year 1978, based on a 5-year useful life. Other charges include maintenance of the terminals and shipping charges.
5. Local Communication Charges - (\$111,000) to support CMS terminals include cables, modems, and other support equipment in our private network and our Technical Control Center.
6. Network Costs - (\$1,307,000) to support the state office network of up to 148 installed, planned, and projected data communication sites in Member's home offices. These costs include line charges, equipment, and other services.
7. Supplies - (\$24,000) provided to Senate offices using CMS include print wheels, ribbons, and other miscellaneous items to sustain CMS operations.
8. Costs for Service Department Support - (\$314,000) to cover such costs as printing signatures, folding, collating, and inserting letters into envelopes for mailing.
9. Letterhead and Second Sheet Stationery - (\$237,000) provided by the Computer Center.

10. Xerox 9700 Printing System Costs - (214,000) for printing letters and management reports for total Xerox 9700 costs plus an allocation of the purchase price for the system owned by the Senate.

11. Overhead Allocation - (\$0) of other Computer Center salaries and expenses. This was not apportioned in the GAO study and is likewise not included in this analysis. The Computer Center has not completed its system costing algorithm by which these overhead expenditures could be provided.

Question: What are the same comparable cost figures, per office, for computer services used to support the newsletter files maintained by offices?

Answer: Senator, we have computed costs allocable to the newsletter mailing system. The total FY1983 expenditures, actual plus projected, will be \$1,117,000. This equates to \$442 per 100,000 labels printed, based on an estimated production of 252,700,000 labels in FY1983.

Question: What methodology was used for cost allocation?

Answer: Senator, we determined through statistics maintained on system and sub-system utilization what percentage of our total processing was represented by the Newsletter Mailing System. These percentages were then applied to FY1983 actual and projected expenditures along with allocations of equipment previously purchased. The following items were included in the computations:

1. Central Processing Units	-	\$178,000
2. Magnetic Tape Drives	-	\$ 23,000
3. High Speed Printing	-	\$ 63,000
4. Xerox 9700 Printing	-	\$ 74,000
5. Optical Character Recognition for Mail File Deletes	-	\$105,000
6. Disk Drives	-	\$ 8,000
7. Supplies (including labels)	-	\$147,000
8. Personnel	-	\$519,000

SUBCOMMITTEE RECESS

Senator D'AMATO. The committee will stand in recess until approximately 11 o'clock.

[A brief recess was taken.]

GENERAL ACCOUNTING OFFICE

STATEMENT OF CHARLES A. BOWSHER, COMPTROLLER GENERAL OF THE
UNITED STATES

ACCOMPANIED BY:

MILTON J. SOCOLAR, SPECIAL ASSISTANT TO THE COMPTROLLER
GENERAL AND GENERAL COUNSEL
RICHARD L. BROWN, CONTROLLER

PREPARED STATEMENT

Senator D'AMATO. Welcome, Mr. Bowsher. I will ask you to please summarize your statement and submit the entire statement for the record. You might want to highlight what you think is the most important aspect of your activities and what would be necessary to improve your mission.

[The statement follows:]

(83)

STATEMENT OF CHARLES A. BOWSHER, COMPTROLLER GENERAL OF THE
UNITED STATES

Mr. Chairman and Members of the Subcommittee:

I am pleased to discuss GAO's budget request for fiscal year 1984. The "Justification of Estimates for Fiscal Year 1984," which you already have, describes our request in detail.

During the past year GAO was able to sustain its efforts to improve the efficiency of government operations and to provide timely assistance to the Congress.

—Though the full impact of GAO's activities on improving Government programs and on spending matters cannot be measured, the Government realized \$5.9 billion in collections and other measurable savings last fiscal year by implementing GAO recommendations, a return of about \$24 for each dollar appropriated to GAO in fiscal year 1982.

—GAO made about 1,800 recommendations to the Congress and Executive agencies during fiscal year 1982—19 percent directly related to reducing costs and 45 percent to improving the operations of various programs. The remaining recommendations focused on such areas as improving financial management and congressional oversight. Even though the recommendations were made only last year, appropriate officials have already implemented about 20 percent of our recommendations; they are in the process of process of implementing another 43 percent.

—GAO officials testified before the Congress 177 times last year and provided hundreds of informal briefings to Members and staff.

We issued numerous reports to help the Congress address critical national issues.

—GAO analyzed how the Defense Department planned to spend its rapidly increasing budget. The Department followed through on its pledge to emphasize readiness and sustainability and to invest heavily in force modernization. But, it had only limited success in eliminating marginal weapon systems and could have spent fund increases more prudently in operations and maintenance areas.

—GAO reviewed 24 major weapon systems for the Congress last year. For example, the Navy was planning to buy out-of-date trainer aircraft for its AV-8B program. We suggested that a more modern trainer be procured. The Navy agreed and estimates that it will save about \$400 million as a result.

--GAO has devoted considerable effort to evaluating IRS' administration of the tax laws. Much of our work was acted on when the Congress passed the Tax Equity and Fiscal Responsibility Act of 1982. The new law followed GAO's advice by eliminating interest-free installment payments of income tax by corporations. Treasury estimates that this provision will yield \$692 million in revenues through 1987. The law changed the way interest is calculated on unpaid taxes, increasing revenues through 1987 by an estimated \$291 million.

--Because of the uncertainty surrounding nuclear power and its role in our Nation's energy future, GAO assisted the Congress in evaluating the level of and need for Federal support of several major programs. GAO's work in the nuclear plant construction area has centered largely on two issues - the adequacy of the demand forecasts which led to the overcommitment to build nuclear power plants and the implications of numerous plant cancellations and deferrals.

--GAO has undertaken a broad range of studies to understand the scope of the "infrastructure" problem and identify options for congressional and executive consideration. We reported on the operations of wastewater treatment plants noting that for half the plants we surveyed users were not being charged enough to cover operation and maintenance costs, even though the Congress intended that the municipalities raise sufficient funds.

As the above areas show, the range of issues GAO examines cuts across the spectrum of Government activities. In many cases we review national programs by looking at projects in the States. For example, our ongoing assessment of the urban development action grant program indicated that completed projects in New York State have been successful. Private investment exceeded expectations. Most projects met or exceeded estimates of the number of new jobs created and of the amount of additional local tax revenues generated. New York has been in the forefront in structuring the program to provide loans to private developers. We have already reported that HUD needs to clarify its policy so these loan repayments can be available quickly for reuse by the cities to fund new projects.

We appreciate the stability made possible by the amount of funds appropriated to us this year. We need to maintain that stability during the coming year to continue measured achievements of greater economy and efficiency in Federal operations. Our fiscal year 1984 budget request of \$269,625,000 will support the same staff level provided to GAO in fiscal year 1983--5000 staff years.

PROGRAM EMPHASIS

Last year I advised the Subcommittee of my commitment to personally look at all new jobs started in GAO to assure their relevance and appropriateness. We started about 1500 projects last year. I questioned the need for some and saw to it that others were refocused. Overall, I and my immediate office followed up in detail on about 10 percent of all GAO jobs started last year.

This close review of specific jobs, coupled with extensive discussions with staff, further convinced me of the need to sustain initiatives that I began last year--such as our defense budget task force and our audit of block grant implementation. But, perhaps even more importantly, my efforts last year helped clarify the need for GAO to do more in two areas critical to the efficient, effective operation of government--ADP and financial management. Two efforts we completed last year illustrate why these areas are so critical to effectively operating government programs.

We provided the Congress with extensive, specific information and recommendations on ways to more effectively use defense expenditures, and we intend to continue to do that. One of our most important general findings was that DOD does not have systems that adequately track how the money Congress appropriated to it is actually spent. DOD needs to develop a system that will identify what is to be achieved with increases to the Defense budget, and over what period of time. Then the Department should be able to report to Congress what has been accomplished for major programs or specific appropriations relative to established goals. Implementing such a system requires sound, effective ADP and financial management components.

In response to congressional and taxpayer concern about the size and growth of entitlement programs, we examined various ways to control costs. We have recommended that the President be given discretion to modify the amount of adjustment indicated by the consumer price index. We also reported that inadequate controls in Social Security's computer system have led to significant amounts of erroneous payments. Hundreds of millions of dollars are improperly paid annually to beneficiaries of other entitlement programs who either fail to report, or report only part of their income and assets.

The Government cannot expect to keep pace with program changes and efficient and effective program management if it does not have good information on what is happening. And most of that information is computerized. I asked our staff last year to identify major ADP systems throughout government that are critical to successful operation of major government programs. We identified over 100 such systems, about 50 of which will either disburse or receive almost \$500 billion of fiscal year 1983 budget authority funds. It is critical to effective government operations for the agencies to keep pace with technological change and to have well-run ADP systems.

The Federal investment in ADP equipment, software, and related services and staffing is enormous. During the next 5 years the executive branch plans to spend almost \$22 billion to upgrade ADP and communications systems. The magnitude of government expenditures for ADP and the vast amount of Federal program funds dependent upon

ADP systems for control mandate that GAO make a more substantial commitment to ADP reviews. We need to assure that we have adequately qualified and trained staff to do the work.

I have already taken certain actions to reassess how we are organized to best audit ADP operations and expect to take more steps during the coming year to better assure that we have the right staff in the right place to do the needed ADP work. I will be developing a long range plan for accomplishing our objectives in the ADP area and will present to you in our fiscal year 1985 budget request the effect our plan will have on the required numbers and skill mix of our staff.

Financial management—including budgeting, accounting, auditing and financial reporting—is another key to the Federal Government's ability to do its work efficiently. Enactment of the Federal Managers' Financial Integrity Act of 1982 will greatly facilitate improving financial management in the Government. I am reassessing our accounting systems approval process, as well as assessing our capability to monitor the implementation of the Act. We will review the reports submitted by agencies as required by the Act and increasingly assess the effectiveness of ongoing agency financial management systems. Financial management is integral to effective program management; resources cannot be used effectively if good financial systems do not exist for deciding how to allocate them, monitor them, and assess the results obtained. In this regard, I am pleased to note that after many years of effort by my predecessor and others, the Governmental Accounting Standards Board is becoming a reality. It is important for us to support this effort. Attachment I to my statement suggests language that could be included in our appropriation to provide \$100,000 for such support.

ORGANIZATION CHANGES

My attention to ADP and financial management and other program initiatives I began last year reflect the commitment I made to look critically at our operations and resources to assure that the funding we seek is the minimum necessary to do our work effectively. I have already made several organization changes to improve our efficiency.

I consolidated the Energy and Minerals Division and the Community and Economic Development Division into a newly established Resources, Community and Economic Development Division. This consolidation should help GAO do jobs better, quicker and more economically by bringing together in one organization two divisions with significant program interrelationships. It will promote GAO flexibility in allocating staff to priority work. I intend to consolidate more divisions this year.

During FY 1982 I appointed three new Assistant Comptrollers General.

—The Assistant Comptroller General for Planning and Reporting will be responsible for setting the overall direction of GAO's work and assuring the quality of its products. He will have special responsibility for assuring that GAO effectively implements recommendations designed to reduce the time it takes to complete its work.

--The Assistant Comptroller General for Operations will have broad responsibility for overseeing the day-to-day technical and administrative management of GAO and assure that the various GAO units are organized to carry out their roles and responsibilities efficiently and effectively.

--The Assistant Comptroller General for Human Resources will be responsible for developing GAO's new personnel system and guiding its staff training and career development operations, recognizing that the primary strength of GAO is in the expertise and dedication of its staff.

I have taken action to address my concern that GAO sometimes takes too long to carry out its work and communicate the results. I have emphasized that our Washington staff be more current with audit progress by traveling more to the sites of our audits throughout the country. My Reports Task Force made a number of wide-ranging recommendations relating to the time it takes to do GAO's work and improve the ways we communicate our results. I expect to implement many of its recommendations.

Tied closely to the work of the Reports Task Force efforts are our continuing efforts to upgrade staff skills and streamline our personnel system. Our Personnel Systems Development Task Force's initial efforts have been directed to streamlining our current performance assessment and promotion processes. Over the long term our goal is to design a personnel and compensation system more befitting the professional nature of our staff. This effort is complex and will affect every GAO employee. We are therefore moving deliberately, continually seeking advice and reaction from our staff as we refine the system's concepts and processes.

Another key to more timely, efficient jobs will be greater use of state-of-the-art office automation equipment. In late FY 1982 we completed a contract to install automated work processing stations throughout GAO to replace our existing outdated equipment. The new units have data processing capabilities which our auditors are beginning to use in doing some audit assignments. We are also looking at applications of micro or personal computers to help us do our analysis work more effectively. Employing this modern technology in our daily activities will greatly facilitate our ability to keep pace with increasing workload demands on a shorter turnaround basis.

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Last year, I stated that to fulfill its mission effectively GAO needed sufficient funds to permit organizational stability, development and maintenance of a properly trained staff and adequate support capability. I felt that then I could effectively begin the process of assuring that GAO continue its excellent tradition of providing the Congress information about how current programs are working and about how new programs will work.

The resources provided to GAO in fiscal year 1983 will enable me to continue that process. I again would like to thank the

Congress for its support. The resources will also assure that we adequately cover all executive branch operations and that we can respond quickly and effectively to congressional needs for information about programs and activities in all areas of government. The amount of money I have requested for fiscal year 1984, by providing for the same level of staff we now have, will continue to provide the stability essential for me to complete my initial efforts to assure that GAO continues to be responsive to the Congress.

This concludes my prepared statement; I will be pleased to answer any questions.

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ATTACHMENT I

"Provided further that this appropriation shall be available to finance a portion, not to exceed \$100,000, of the costs of the Governmental Accounting Standards Board."

The Governmental Accounting Standards Board is sponsored by the Financial Accounting Foundation, a private, non-profit corporation with public and private sector membership. We believe its desirable to support the board in its early start up years.

The Governmental Accounting Standards Board will promulgate uniform accounting standards for State and local governments. These standards will be very useful to the Federal Government in general and particularly to the General Accounting Office because they will provide more uniform and objective reporting of financial information by State and local governments. Such information is needed by private investors to make more informed investment decisions (e.g., the purchase of State bonds), as well as by Federal agencies to determine whether grant and revenue sharing funds are being properly spent.

Uniform standards will aid in tracking the application of block grant funds and will assist us in maintaining accounting standards for the Federal sector. The Board will be financed predominantly by state governments and private sources. The General Accounting Office participated with the Committee that organized the Board and it is important that the Federal Government join with other sources to support the Board's initial operations.

ATTACHMENT I

Senator D'AMATO. For the record let me say that in the dealings that we have had with GAO, your people have been absolutely outstanding. Thank God we have GAO. I don't know how other people feel about it, but I think it is just an incredibly important function. It keeps honest people honest. I just hate to think what would be taking place without that watchful eye that is not only there to criticize but to save.

SUMMARY OF STATEMENT

Mr. BOWSHER. Well, I would be happy to just summarize along the lines you asked. First, we are an organization of 5,000 people. When I first came to the Office 1½ years ago, I asked the Congress, both the House and Senate, if they would let us have a stable organization of 5,000 average positions for a year or two so I could get a better handle on what we were doing and our capabilities. Congress has been very good in going along with this request.

Half our people are located in Washington, half are located in 15 regional offices throughout the United States. We issue about 1,000 reports a year. Last year we testified 177 times before the various congressional committees. In addition, we provide a lot of backup briefings, questions, and things like that for the various committees.

Our savings last year—and we try to be very conservative on what we claim to be savings—were \$5.9 billion. So we feel that we do earn our way. We are concerned each year about actually working on studies that have some dollar-and-cents payoff.

DEFENSE BUDGET REVIEWS

One of the major areas we are examining in this regard is the big defense buildup which has been taking place since 1980. We are trying to monitor it. We have a special defense budget task force that is looking at it from a budgetary point of view, and we are issuing annual reports. We issued one last April, and we are about to issue another one this April.

Throughout the year, between the annual reports on the defense budget, the task force has provided the various congressional committees and their staffs with a variety of products, such as briefing documents and fact sheets, to help in the examination of the defense budget. Let me present a couple of examples. Last year we identified \$179 million in the B-1 program which was offset against the fiscal year 1982 request. This year we identified unnecessarily high levels of contingency funding associated with the Army's Sergeant York/DIVAD program which resulted in a \$50 million reduction in fiscal year 1983 funds.

Also, we are trying to work with DOD to get better accountability and more frequent updates of information while Congress is reviewing the budget. This should result in more current information being available for your budget decisions.

SPARE PARTS PROCUREMENTS

Senator D'AMATO. I requested that you conduct a study with respect to the procurement of some specific spare parts.

Mr. BOWSHER. Yes.

Senator D'AMATO. Have you done a more general report on that?

Mr. BOWSHER. We do quite a bit of work in the overall procurement area.

Senator D'AMATO. Overall with respect to spare parts?

Mr. BOWSHER. Spare parts, too. On spare parts we are currently mounting 26 fairly extensive reviews.

Senator D'AMATO. That is something that really needs an overall report. I think it is important, too. Would you be in a position to make recommendations on how to deal with deficiencies in the procurement area?

Mr. BOWSHER. Yes; when we complete these studies we will be able to give that information.

Senator D'AMATO. Could you give us some legislative initiative you think would be necessary to deal with spare parts procurement? Based on just what I have seen on a superficial basis—not having the knowledge or staff to look at the total area—it is an absolute disgrace. It is a situation where I see parts that cost several dollars one year and, in the course of less than 15 months, that cost goes up 1,000 percent. It is incredible.

Mr. BOWSHER. That is right. In fact, this morning I talked to the auditor working on that issue. He was saying the same thing. From the preliminary work, we see these cost increases happening in big jumps.

Senator D'AMATO. Did he ever try to find out what the justification was?

Mr. BOWSHER. That is what we are going to find out.

Senator D'AMATO. I understand that we haven't evaluated the cost of these parts since the basic ordering agreement in 1976. So we are using outdated data. When we look at it now, in between the original furnished part for \$1,000, it can now be supplied to you for \$11,000, and the contractors claim the increase in cost to us as overhead. I think it is nonsense. I think we see an area where there is a gaping loophole in the law and they are driving a Mack truck through it and really taking advantage of the whole thing. They are not violating the letter of the law, but they are certainly taking advantage.

Mr. BOWSHER. Yes, it is a cost-reimbursable-type contract. Whatever they claim is the cost. But that is what we are going to be looking at.

Senator D'AMATO. I would be very much interested.

Please continue.

DEFENSE WEAPONS SYSTEMS

Mr. BOWSHER. In doing this defense work, they have about 80 to 100 major weapon systems at any one time being built and developed. We issue reports on 20 to 25 each year. We look at their status including cost, schedule, and technical problems. We are planning to do quite a bit of work in the spare parts area.

ADP TASK FORCE

We do quite a bit of work on computer systems and, in answer to your earlier question, I think this is one area where we have to improve. We had a task force look at how we have been doing. We identified over 100 major computer systems in the Federal Government. We looked at the computers for IRS and Social Security, the ones that really are the important systems for the important programs. What we are going to do is reorganize so that we have a computer group at GAO. It will take us a while. We can't build it overnight. But we are going to try to develop greater capability than we have had and do more reviews of the big systems. I am afraid we probably aren't doing enough on the big systems, and that is why I requested the task force review.

FINANCIAL INTEGRITY ACT

Another area we spend a lot of time on is internal controls and accounting systems. The Congress last year passed the Financial Managers Integrity Act, which is requiring agency heads to tell the Congress and the President once a year the status of their internal controls and accounting systems. We are going to monitor these annual reports. One of the best things I think we have ever had is to determine the status of these accounting systems and internal controls on agencies' program systems. We can continue to report fraud, waste, and abuse forever, but if we don't get systems working better and get controls in better shape, we will just continue to have audit reports and no corrective action. So that is one area where we will be mounting a major effort.

Those are the two areas where I think we have got to employ major resources. Next year when we come back for the budget may be the first time for requesting additional people. I don't mean a lot. I want to build gradually, but with a sustained effort, for 5 years maybe, and train them well. We have to develop our training programs in those areas and get people working. But I think major work needs to be done in those two areas.

BLOCK GRANTS

We are doing a lot of work on the block grants, trying to find out how well they are being implemented by the States. We visited 13 States last year, looked at the transition to block grants, and discussed our early observations in our report to Congress. Block grants were just getting started. There was a lot of categorical grant money still available and things hadn't changed that much. We are visiting the same 13 States this year, and I think we will have much more to report. I'm confident we will have very good information for the Congress.

MEDICARE REIMBURSEMENT

Senator D'AMATO. What about the huge cost areas other than defense, such as medicaid and medicare? It seems to me that when you see the differences in some of the premiums that are charged, those carriers which have established incentives and inducements to reduce costs provide essentially the same service, if not better service and sometimes

coverage, than do carriers who are not making the same effort. So in some cases, you have much higher rates with no appreciable benefit in medical coverage. What are you going to do in that area?

Mr. BOWSER. We issued a report not too long ago—"Improving Medicare and Medicaid Systems To Control Payments for Unnecessary Physicians' Services" (GAO/HRD-83-16, February 8, 1983). We will send that one up. In fact, that issue was covered on all the major TV programs. What we are concerned about, and what we reported in this study, is that the emphasis has been just in getting the bills paid. We really think that the programs are old enough now that a lot of members should be checking on just what has been done and have available a much more thorough review. We will continue to do work in this area. Of all the programs we know, that one has escalated as much as any Federal Government program. But I will send up that report.

NUCLEAR POWER

I might mention nuclear power, because the amount of our work was kind of a surprise my first year in office. Problems such as the breeder reactor are very tough problems for Congress. We just try to get the facts and to list options in our reports. And the options are tough. There are no easy solutions. Some years ago the Congress encouraged the commercial development of nuclear power by, among other things, authorizing aggressive nuclear power research and development programs. These programs were based on the assumption that 800 to 1,500 conventional nuclear powerplants would be operating by the year 2000. Now projections indicate that only 145 to 185 plants will be operational by that time. So we have programs ongoing, including the breeder program, that were designed before the recent downturn in energy demand. This has caused a great deal of controversy leading to a lot of work by us in this area. I think we have issued some very good reports. We generally come up with options. We don't come up with a flat recommendation.

PUBLIC FACILITIES

We have done some work on the facilities in the infrastructure and we have pointed out, as other people have, that we are just not really maintaining our public facilities in this country, and many areas have to be looked at.

TIMELINESS OF GAO REPORTS

Senator D'AMATO. This is something that I think is important. The effectiveness of your reports can be impaired as a result of the hiatus between the time when the request was made and you issue your report. I recognize some of these requests go into detailed information requiring extensive reviews and that you don't oftentimes have the total control over an investigation. Other parties may be involved and you need their cooperation. But the effectiveness of this, again, is tied directly to the time when the request is made and/or a report of findings and conclusions is made. What are you doing to improve your response time?

Mr. BOWSER. To me that is one of our major problems. I think there are two problems that we have at GAO. One is the readability of our

reports—getting good reports done and written in a manner people can read and getting the facts.

Senator D'AMATO. And understand them.

Mr. BOWSHER. And understand them.

Senator D'AMATO. That is a problem.

Mr. BOWSHER. The second problem is timeliness; the one you just brought up. Again, we formed a task force which really did fine work and came up with good recommendations. We are in the process of implementing them to try to improve the timeliness of our work and its readability. I think it will take us a year or two to get the recommendations in and working because we have a pipeline. We have 1,500 jobs going on at any one time, and we are starting to apply some of the new procedures to our new jobs. But it is going to take time for the pipeline to clear.

We also are hoping to possibly look at the design of our package and see if we can't put it in a more modern and readable format. So these are some of the things we are going to be trying to do in the next 12 months.

But I agree with you. I couldn't agree more that timeliness is key. And to a great extent, we can be most effective if we can issue the reports when they are supposed to be issued. We do pretty well. What really worries me is how long it takes to produce the reports. Every year we miss the deadlines on a few. But, generally speaking, now I think the organization is really geared to trying to make the deadlines by which we promise our reports to the various committees.

GSA MANAGEMENT OF THE GAO BUILDING

Senator D'AMATO. Your budget materials indicate that GAO has budgeted over \$16.5 million in fiscal year 1984 for GSA standard level user charges. I think you are the only legislative branch agency that is paying these charges. Would you be able to do a more efficient job and save money by maintaining your own custodial work?

Mr. BOWSHER. Dick handles that. I would say we probably could.

Mr. BROWN. We probably could. We have taken a pretty hard look at that in light of specific experiences with GSA and have concluded that there are many things we could do much more efficiently. We have not studied it carefully enough to say we would be able to do better in all respects.

Senator D'AMATO. Would you be in a position to give this committee a recommendation so that we might go forth by way of a legislative proposal?

Mr. BROWN. Yes, we would be able to do that.

Senator D'AMATO. Will GSA say they don't like it?

Mr. BOWSHER. Yes.

ASBESTOS IN GAO BUILDING

Senator D'AMATO. Counsel suggests that possibly I would be interested—and I think I would—in terms of the asbestos problem.

Mr. BOWSHER. That is a terrible story.

Senator D'AMATO. GSA has been involved?

Mr. BOWSER. Our building was designed before World War II but not finished until after the war, and it has asbestos insulation all through the place.

Senator D'AMATO. You are going to have a big problem.

Mr. BOWSER. We have a big problem and, unfortunately, we just got started with GSA on this. Dick can really give you the details, but it is not going well. In other words, they have started tearing out the asbestos, but they don't seem to have the safety concerns we feel should be there to protect our employees.

Senator D'AMATO. Did they bring a private contractor in and bid on it?

Mr. BROWN. Yes, they have a private contractor. The contract calls for them to monitor asbestos levels in the air, and the contractor has not been doing that properly. GSA stopped work as a result of the contractor's failure to follow safety procedures and has directed some changes in the contractor's operations. Some people have had to go to Johns Hopkins for some medical tests because they were exposed to hazardous asbestos levels in the air.

Senator D'AMATO. That is terrible.

Mr. BROWN. In the building itself, many of the ceilings are still all asbestos; moreover, the duct work in the building is lined with asbestos.

Senator D'AMATO. The duct work is asbestos?

Mr. BROWN. Yes, all the duct work that carries the heating and air conditioning. All that has to be removed. What has happened is that in the original prospectus, approximately \$11 million was approved to renovate all of that. Now GSA is telling us that amount will probably do only two and one-half floors.

HEATING, VENTILATION, AND AIR CONDITIONING PROJECT

Senator D'AMATO. When did this problem of the asbestos come to your attention?

Mr. BROWN. About 5 or 6 years ago.

Senator D'AMATO. Oh, my God.

Mr. BROWN. They are just now getting to it.

Senator D'AMATO. Who is responsible for this over a period of 5 or 6 years?

Mr. BROWN. GSA. When it came to their attention, they had a prospectus approved and lined up a contractor to get the job done.

Senator D'AMATO. Have you reviewed that contract?

Mr. BROWN. We didn't review it. We have seen it.

Senator D'AMATO. Wouldn't it be a good idea to review it and give your professional expertise as to what is good and bad about it? Are you sufficiently protected if you get implementation of that contract? What I am saying, in layman's language, if they execute the contract to perform, pursuant to it, will it clear up the problem or are there still deficiencies outside of the contract that will remain?

Mr. BROWN. We have examined it from the asbestos point of view. It will clean up the asbestos problem.

Mr. BOWSHER. We are concerned about their not having enough money to do the full building. They are going to start, and our concern is how much delay there will be to get the job finished. I think once you start a job like that and get it half done, why, you expose a lot of people.

Senator D'AMATO. Do you want to send me something on this, a report in terms of the problems, and see if we can speak to people who might be able to implement something? I think you ought to try to make some kind of estimate. I suggest you sit down with GSA and try to get some numbers from them so we don't have conflicting opinions at the committee level. I don't want to see one subcommittee chairman suggesting to another that it would take an extra \$20 million and GSA disagreeing. I think you should start some kind of dialog to find out how much more it is going to take.

Mr. BOWSHER. We would like to do that very much.

Senator D'AMATO. We will get them to put it in their request, too.

Mr. BOWSHER. It is a real problem.

Senator D'AMATO. You are sitting on a keg of dynamite.

Mr. BOWSHER. That is right.

Senator D'AMATO. Let me tell you, if I was in GAO, I wouldn't want to work there. I would be out in the field. Do you work there?

Mr. BOWSHER. Some of my predecessors are still walking around healthy. If they weren't, I would be concerned.

URBAN DEVELOPMENT ACTION GRANTS (UDAG)

Senator D'AMATO. You are assessing UDAG grants; correct?

Mr. SOCOLAR. We have done work on those grants.

Senator D'AMATO. In New York, did you find anything?

Mr. SOCOLAR. I think we reviewed six completed New York grants.

Senator D'AMATO. How did they work out?

Mr. SOCOLAR. They worked pretty well. As a matter of fact, in New York we found the achievements generally met or exceeded the projects' expectations.

Senator D'AMATO. Did you make a report on that?

Mr. SOCOLAR. We issued an interim report (GAO/RCED-83-126) on March 15, 1983. We are continuing work on the final report.

Senator D'AMATO. Send me a draft on it.

AGENT ORANGE REVIEW

What about agent orange? That must be incredibly complex.

Mr. BOWSHER. It is a difficult problem. We have issued our first report on VA's examination program. A lot of people think it is the best report on the program. We are going to continue to monitor it. We have a feeling that the VA is acting on our recommendation.

Senator D'AMATO. They have a new VA Director, one heck of an improvement over the turkey they had as his predecessor. It is really refreshing to have someone who really wants to do the work.

Mr. BOWSHER. I just met with him the other day for the first time.

Senator D'AMATO. Has it been your feeling that this area is so complex and so volatile and that there are so many unknown quantities? I am beginning to wonder if that would not break VA's capability.

Mr. BOWSHER. That was a major study of the organization last year, that work on agent orange, and we are going to continue to monitor it.

Senator D'AMATO. Have you seen some specific areas where VA has begun to implement some of your recommendations?

Mr. BOWSHER. Yes, we have. They are implementing some of the recommendations, trying to reach out and explain to the Vietnam veterans what their program is really all about. We found a lot of problems in that area. We believe that they are trying to get a better program together so the people know what is happening. There were two factors which our people thought contributed to that misunderstanding—poor design of the examination forms and examining physicians' lack of familiarity with agent orange itself. We have seen efforts by the VA to try to correct those two major problems. The VA and we are going to be monitoring this, because we think this is one of the more volatile and significant programs in the Veterans Administration.

SUBMITTED QUESTIONS

Senator D'AMATO. I would be most interested to pursue some of the areas we spoke of today. We will transmit additional questions to be answered for the record.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

REPORT SELECTION

Question: Last year this Committee took GAO to task for conducting studies which were outside of GAO's prime area of expertise, and which were not directed to bringing about more cost-effective federal programs or contributing to the debate on the major issues before the Congress. The Committee's report cited two particularly flagrant examples. How would you judge GAO's success in this regard since the beginning of FY83?

Response: The two studies referred to in the Committee's report as being outside GAO's primary area of expertise were both performed at the request of a Member of Congress. We believe it is important for GAO to be as responsive as possible to the needs of Committees and Members. We also share the Committee's view that GAO should concentrate on work directed to bringing about more cost effective Federal programs and/or which contributes to the debate on major issues before the Congress.

We carefully consider each request to determine whether it; (a) can better be responded to by another legislative or executive branch agency, (b) can be satisfactorily answered by work already done by GAO or being done to respond to a similar request by another committee or Member, (c) can be adequately done by doing less work in fewer places than was envisaged by the request; or (d) for various reasons should not be responded to by GAO.

Since the beginning of FY 1983 our results have been as follows:

- 39 requests, with the concurrence of the requestor, have been referred to another legislative or executive branch agency.
- 78 requests have been responded to, in a manner acceptable to the requestor, by providing information developed from previously completed audit or evaluation work.
- 64 requests have been adequately responded to by doing materially less work than was originally expected by the requestor.
- 17 requests have not been accepted for various reasons.

The work that GAO does under its basic legislative requirements is carefully developed to assure that it contributes to making Federal programs and agencies more efficient and effective and/or contributes to consideration of major issues before the Congress.

Such work is developed in consonance with a program plan which identifies, with input from relevant committees and from others in and out of government who can make a meaningful contribution, those areas in which GAO work will be most relevant and useful. Each job is carefully reviewed by the division director and his key staff to assure that it contributes to GAO objectives. An Assignment Review

Group, composed of senior managers having GAO-wide management responsibilities also looks at selected jobs. And, the Comptroller General personally reviews each job when it starts and when it goes into implementation — the point at which the job begins to incur its most significant cost.

FEDERAL GOVERNMENT ADP

Question. The budget justification materials indicate that you intend a special emphasis on government data processing. How will you establish a greater GAO capability for review of government data processing, and what magnitude of additional resources will be required?

Response. An important aspect of improving the overall management of Government is increasing the effectiveness of its information management. Information is particularly important to the Government, and effective management of that information is critical to the success of every program and endeavor. The Comptroller General believes GAO can make more significant contributions to improve the Government's information management. He began last summer by establishing a task force to report to him on the information, communication, and ADP work GAO should be doing, how GAO should be organized to do it, and the types of people needed and available to carry out the work.

The task force report confirmed the Comptroller General's belief that a major effort was needed to build up GAO's capability to deal with automated information systems and resources and the Federal Government's management of them. The task force, in its November 17, 1982, report, targeted a 5-year workload including 100 major information systems, about 50 percent of which will either disburse or receive almost \$500 billion in fiscal year 1983, 21 agencies which account for over 95 percent of the Government's \$17 billion annual ADP and telecommunications budget, and 177 major acquisitions which account for about 81 percent of the almost \$22 billion of expenditures planned through fiscal 1987. The task force also noted that GAO does not have sufficient ADP experts to survey these systems adequately.

The task force recommended that more of GAO's audit staff, having skills in automated information systems and resources be consolidated in a single division with increased responsibility for planning and executing audits of ADP, communications, and other information activities and resources. It also recommended that GAO develop a comprehensive training program to upgrade its ADP audit capability in these areas. The Comptroller General approved the recommendations and, on February 17 of this year, announced his intentions to form a new Information Management and Technology Division by October 1, 1983. A transition team is currently laying the groundwork to accomplish this directive.

Although the team has not yet completed its work, it is clear that GAO's training program to develop the personnel necessary to accomplish the anticipated workload will not do the whole job. It will be necessary to obtain additional staff skilled in these areas to provide an adequate level of audit coverage to the Government's growing and increasingly important information resources.

The Comptroller General believes that some additional resources will be needed to meet the challenges of the information age so GAO can better assist the Congress in fulfilling its oversight responsibilities and make significant contributions to improve the Government's information management. During the balance of fiscal year 1983 and in fiscal year 1984, we expect that within resources available to GAO we will need to hire a modest increase of staff from outside of GAO. Also during this period, we will have to apply more training resources to upgrade our audit skills.

The Comptroller General will be developing a long range plan for accomplishing his objectives in the information management area and will present to the Committee as part of our fiscal year 1985 budget request the effect the plan will have on the required number and skill mix of our staff.

NATIONAL SECURITY AFFAIRS

Question. In 1981, you established a "Defense Budget Task Force" to better channel GAO resources devoted to DOD. What additional changes do you foresee to most effectively deal with the Defense Department?

Response. In anticipation of a much higher demand for the General Accounting Office to assist the Congress as it debates the increased levels of Federal expenditures for defense, the Comptroller General is establishing a National Security and International Affairs Division. The new division will better focus GAO's audit coverage on the missions, programs, and management of the Department of Defense, the military departments, and other Federal agencies. It will combine major elements of GAO's present Federal Personnel and Compensation Division; Mission Analysis Systems Acquisition Division; Procurement, Logistics and Readiness Division; and International Division.

The establishment of this division will make it easier for GAO audit and evaluation work to consider the interrelationship of all factors contributing to an effective national security posture. It recognizes the importance and interrelationship of national security and international affairs by providing a single GAO focal point for them, and it enhances the Office's ability to address the widest possible range of issues in a concentrated, consolidated manner.

The new division will be responsible for reviewing U.S. national and international programs and activities concerned with protecting the population and advancing the international political, economic, and military interests of the United States. Thus, the division will address some of the more crosscutting defense issues and single agency issues in addition to retaining the capability to review basic functions performed by these organizations.

PROFESSIONAL PRODUCTIVITY/OFFICE AUTOMATION

Question. What are your goals regarding the procurement of electronic work stations? Will use of these stations be cost effective through elimination of personnel requirements?

Response. We are planning to increase the productivity of our staff by increasing the services and equipment that they have to perform their auditing functions. To that end, we conducted a two-year experiment in two regional offices and headquarters to determine whether high technology information processing equipment was suitable to the audit processes within GAO and would increase the motivation and capability of the staff to carry out their duties.

The experiment--designated the Electronic Workstation Project--was conducted from May of 1980 to September of 1981 and concluded that such equipment has great potential for increasing our capacity to perform many different types of auditing tasks. These tasks include such time consuming functions as data gathering, complex mathematical computations, analyses, communications, and report writing, functions that have been done manually at GAO for decades at relatively slow rates of speed. In the experiment, the use of the technology received strong support and enthusiasm from both management and staff.

Based on the experiment, GAO evaluated proposals to procure replacements for our old and outmoded word processing equipment and begin the systematic automation for our professional staff. The competitive contract was awarded in 1982.

We did not compute a payback in terms of lifecycle costs and staff time saved since we were not testing a type of equipment but rather were examining our ability to automate professional functions. Our goal continues to be to enhance the quality of our reports to the Congress with more complex analyses performed and additional cases examined and analyzed. Also, we expect the EWS equipment to assist our efforts at improving the timeliness of our reports to the Congress.

Two distinct purposes are being addressed with the installation of these machines -- maintenance of word processing requirements and establishment of professional workstations.

Word Processing

The Philip/Micom 2001 has replaced the old Lexitron 921 as GAO's work processor. It brings several enhancements which should lead to a faster turnaround of typing and report production.

--Telecommunications: Each of GAO's divisions, regional offices, and major sub-offices now possesses a communicating word processor. This is already improving the transfer of information and should improve the timeliness of report reviewing.

--Automatic Background Printing: This feature will allow for the rapid printing of draft and final reports, while the operator is concurrently working on other tasks.

--Global Search and Replace: This feature will allow for the rapid identification and change of text.

--Word Wraparound: This feature permits the operator to type continuously without having to make line-end commands.

--Spelling Dictionary: This software automatically checks text against a 100,000-word dictionary and should ensure accuracy while requiring less proofing time.

Professional Workstation

The Philip/Micom 2001E is being used as GAO's professional electronic workstation (EWS). It provides the GAO evaluator with a range of basic data and columns. It can search and sort nine (9) key fields, can perform basic data base management tasks, and can communicate with a wide range of ADP systems. Since the equipment is also compatible with the standard operating system for microcomputers (CP/M), it will enable GAO to bring more sophisticated analytical packages to the staff.

EFFECT OF FINANCIAL INTEGRITY ACT

Question. What good do you expect to come out of the passage of the Federal Managers Financial Integrity Act of 1982?

Response. Federal agencies have had major problems in adequately controlling their programs and resources because internal controls have not been an area of management emphasis. The act represents a significant initiative by the Congress and the President to improve Federal financial management and Government operations and to provide control over the hundreds of billions of dollars appropriated annually. With top level management support and emphasis, effective systems of internal accounting and administrative control over programmatic as well as financial functions should reduce fraud, waste and abuse and enable more efficient, effective Government operations.

Question. What plans do you have to further the goals of this Act?

Response. We plan to continue developing and maintaining internal control standards and consulting with the OMB on guidelines for use by agencies in the implementation of the act. We also will be evaluating agencies' efforts to meet the act's requirements and will be reporting periodically to Congress on agency progress and problems in implementing the act. During this first year under the act, we are planning a comprehensive review at 20 agencies to:

- Assess the progress and problems agencies are experiencing in implementing the act,
- Assist agencies in implementing the act, and
- Evaluate the overall effectiveness of the act and the adequacy of internal controls in the Federal Government.

GAO COMPENSATION SYSTEMS

Question. The justification materials indicate that you hope to "adopt compensation systems that would more directly relate pay to performance." What do you have in mind, and in what time frame?

Response. We are striving to develop for all or major parts of our workforce systems which define or "band" levels of responsibility somewhat more broadly than does the present 15-grade general schedule, with compensation within the broader levels established principally on the basis of performance rather than principally on the basis of time in grade. Compensation adjustments would be made annually based upon a careful management assessment of quality and level of performance as shown in performance appraisals.

For example, we now utilize general schedule grades 7, 9, and 11 through 15 in our professional Evaluator series, with grade 12 representing the full performance level or the top of the noncompetitive career ladder. For employees demonstrating acceptable levels of performance, pay progression within each grade is basically a function of time in grade. Progression to grades above grade 12 is through a competitive merit selection process.

Under a revised system, we would use three or four more broadly defined levels in lieu of the seven general schedule grades now used, with pay progression within each level being a function of quality and level of performance. Progression to higher levels will continue to be through a competitive merit selection process.

As noted in the justification materials, thorough testing and evaluation of the changes involved in the first phases of our overall plan including our performance appraisal system, will be necessary prior to moving to compensation systems which more directly relate pay to performance. This is now underway and will continue through fiscal year 1984. Assuming positive test and evaluation results with respect to these changes, we plan to complete and evaluate the design of the revised system for our most populous occupational group, evaluators and related professionals, during fiscal year 1984, and move to implementation in fiscal year 1985 or 1986. The design and implementation of revised systems for other occupational groups would follow.

We intend to keep the committee advised of our progress, and will brief it at any time it wishes.

VA's AGENT ORANGE EXAMINATION PROGRAM

On October 25, 1982, you issued a report entitled "VA's Agent Orange Examination Program: Actions Needed to More Effectively Address Veterans' Health Concerns" (GAO/HRD-83-6), which was critical of the Veterans Administration's (VA) agent orange examination program. In that report you said that veterans were not always provided thorough and timely examinations or adequate information on agent orange or their health.

Question. Were any facilities in New York included in your review? If so, did you find the same problems at the New York facilities that you found nationwide?

Response. The answer to both questions is yes. Three of the 14 facilities we visited were in New York (New York and Northport VA medical centers and the New York outpatient clinic) and a fourth in

New Jersey, East Orange VA medical center, served many New York residents. We found that the same kinds of problems existed to varying degrees at all 14 medical centers.

Question. How will your report help veterans concerned about agent orange?

Response. Our report made a number of recommendations designed to improve the timeliness and thoroughness of agent orange examinations and to insure that veterans receive available information on agent orange. Effective implementation of our recommendations should help alleviate veterans' concerns about agent orange.

Question. What has the VA done to implement your recommendations on timeliness and thoroughness of agent orange examinations?

Response. On March 1, 1983, the VA issued a circular to all VA medical facilities implementing many of our recommendations. The circular directed examining physicians to document all examination findings using the more detailed standard VA physical examination form and emphasized the importance of timeliness in scheduling agent orange examinations. VA has also prepared a more detailed exposure history form.

Question. What actions has the VA taken to insure that veterans receive available information on agent orange?

Response. The VA, through conference calls and a chief medical director's letter, directed VA facilities to offer to send the agent orange pamphlet to all telephone callers interested in agent orange, and advise callers about when and where they can see the agent orange film.

In addition, the VA, is developing public service announcements about the agent orange program and a monograph on agent orange's potential for causing birth defects. VA also plans to improve coordination with State agent orange programs, such as the New York State Temporary Commission on Dioxin Exposure.

Question. How will GAO insure that the VA and individual medical facilities effectively implement the above actions?

Response. Both the VA and GAO will be monitoring the implementation of our recommendations. We recommended that VA improve its monitoring of the examination program by (1) having environmental physicians review all examination records, and (2) including the agent orange examination program in its systematic internal review program. VA has taken action on both recommendations.

In addition, we follow up on issued reports every 4 months to determine the status of agency actions on our recommendations and to assess whether or not the actions taken have corrected the problems that led to recommendations.

Question. Are you planning any further efforts which would specifically benefit Vietnam Era veterans?

Response. Yes. We will begin a review of VA's Vietnam Era Veterans Readjustment Counseling Program in June of this year. In addition, at the request of Senator Cranston, we are planning to begin a followup review of the agent orange examination program in August 1983.

URBAN DEVELOPMENT ACTION GRANT PROGRAM

Your statement indicates that GAO is currently assessing the urban development action grant program in New York, along with other states.

Question. What was the total expected and realized investments and new permanent jobs for the completed projects you reviewed in New York?

Response. UDAG funds of \$6.5 million for 6 New York projects were expected to stimulate an additional investment of \$28.6 million. The projects succeeded in generating \$37.2 million in private funds, or \$8.6 million more than expected.

We found in 5 of these projects a total of 567 new permanent jobs were expected to be created. Developers actually realized a total of 626 positions. The actual jobs created exceeded expectations by 59 jobs, an excess of 10 percent.

Question. Could you describe the purpose and benefits realized for some of the completed UDAG projects you reviewed?

Response. One project entailed construction of a 400-unit hotel in the Albany central business district. This project had a UDAG investment of \$3 million. It stimulated a private investment of \$21 million and created over 300 new permanent jobs.

Another project in Frankfort, New York involved the rehabilitation of an existing tool plant. The UDAG investment in this project was under \$200,000 and the private investment realized was \$800,000. About 30 new permanent jobs were created.

A third project in Hornell, New York consisted of the rehabilitation of a ballbearing facility. UDAG investment was about \$600,000 and the private investment was \$5.5 million. This project resulted in almost 100 new permanent jobs.

Question. How many New York projects may result in a specific amount of UDAG dollars being repaid by private developers?

Response. HUD information as of September 9, 1982, indicated that New York had 137 projects with a specified amount of UDAG dollars to be repaid. We reviewed 29 of these projects and found that they had a loan face value of \$73 million and a present value of \$51 million.

Question. How do cities in New York plan to use repaid UDAG funds?

Response. Generally, city officials said they planned on using the UDAG repayments for community and economic development activities.

For instance,

- Watertown plans to establish an economic trust which will provide funds to local companies for expansion or construction of facilities.
- The Town of Union in Endwell plans to establish a revolving loan fund to finance local development activities.
- Schenectady plans to use repayments for local housing and other economic development activities.

SUBCOMMITTEE RECESS

Senator D'AMATO. The subcommittee will stand in recess.

[Whereupon, at 12:10 p.m. Wednesday, April 13, the subcommittee was recessed to reconvene at 10 a.m. Friday, April 15.]

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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1984

FRIDAY, APRIL 15, 1983

U. S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a.m. in room S-128, the Capitol, Hon.
Alfonse M. D'Amato (chairman) presiding.
Senators present: Senator D'Amato.

OFFICE OF TECHNOLOGY ASSESSMENT

STATEMENT OF DR. JOHN H. GIBBONS, DIRECTOR

ACCOMPANIED BY:

LIONEL JOHNS, ASSISTANT DIRECTOR FOR ENERGY, MATERIALS, AND
INTERNATIONAL SECURITY
DAVID BANTA, ASSISTANT DIRECTOR FOR HEALTH AND LIFE
SCIENCES
JOHN ANDELIN, ASSISTANT DIRECTOR FOR SCIENCE, INFORMATION,
AND NATURAL RESOURCES
JANE D. EASTON, BUDGET AND FINANCE OFFICER
THOMAS P. MCGURN, ADMINISTRATIVE OFFICER

OPENING REMARKS

Senator D'AMATO. The hearing will come to order. We have Director John Gibbons from the Office of Technology Assessment, who will give his statement. We will receive his entire statement into the record as if read. We also acknowledge we have statements in support of the OTA budget request from Senator Stevens and Congressman Morris Udall which we will place in the record in their entirety following Mr. Gibbons' testimony. In addition, Senator Hollings has expressed to me his strong support for OTA.

PURPOSE OF OTA

Mr. GIBBONS. Thank you, Mr. Chairman.

Mr. Chairman, OTA is the primary agency of Congress that is charged with analyzing the influence of science and technology on society and the implications for Federal policy. Our subject area covers large-scale, complex, and sophisticated technology. The work includes technology transfer and international trade, health and safety, energy and material resources issues, wastes, air and water issues, agriculture, new developments in science such as biotechnology and programable automation—sometimes referred to as robotics—and both classified and unclassified work in the national security area.

OTA is governed by a bipartisan Congressional Board and we not only perform major full assessments for committees, but we also provide committees a variety of analytical services that are drawn from past and ongoing assessments. These services consist of briefings, testimony, and interim reports.

A list of the 88 committees and subcommittees of the House and Senate that OTA directly responded to in fiscal year 1982 is attached to my written testimony.

Our Congressional Board authorizes new assessments in response to requests by committees upon the recommendation of the Director, or upon its own initiative. Almost all of our current work agenda reflects requests by one or more House or Senate committees.

ROLE OF OTA

Our work can be described as three complementary areas: First is to resolve uncertain and conflicting claims. We try to help the committees understand why the so-called experts can sometimes make such contrasting claims and conclusions about an issue, such as acid rain or MX missile basing alternatives. By sorting fact from opinion, we help the committees focus the debate on those areas that do not easily yield to analysis. We help narrow the scope of the argument, and thus our contribution is, we hope, to raise the quality of the debate itself.

As an example, our work on Soviet energy availability resolved some long-established differences between previous studies of Soviet energy and their petroleum development forecasts. It also identified Soviet gas as a far more pivotal fuel for the Soviets in the decade of the 1980's that had been previously recognized.

The second area we work in is in identifying and evaluating alternative options for Congress. It is clear in any debate that it is important to understand the reasons for disagreement. It is helpful to gain a sense about knowledge, where it leaves off and where opinion takes over. And it is essential in policy analysis to respond to the question, "Therefore, what?" after you have given me all these facts. That is why OTA tries to identify alternative policy options for Congress to use in dealing with the issues.

As an example, our work on high-level commercial nuclear wastes resulted in a comprehensive policy package on which Members of Congress could draw on in fashioning an apparent resolution of a controversy that went on for at least two decades. One additional result of that work, which included support from the Congressional Budget Office, was that the necessary funding, which is about \$400 million a year, will be provided by users of nuclear electricity rather than through general tax revenues.

The third and final area that we work in, Mr. Chairman, is what I call providing foresight. When Congress created OTA it called for this agency to give attention to emerging technologies; that is, to provide foresight or early alert, as it were, on new developments that could have important implications for Federal policy. Our studies in areas such as advanced medical technology, civilian space applications, the implica-

tions of technologies such as computers and robots on employment, education, and international competitiveness, have helped provide Congress with an improved sense of how such developments may impact the American public. If we can gain a clear view of how technology can be applied to provide the most desired forms of growth with the fewest undesired side effects, then the rewards could be enormous. Our current and costly confrontation with hazardous wastes, which you are personally familiar with, Mr. Chairman, is an example of the burden that could have been avoided for less than one-tenth the price, perhaps one-hundredth of the price, that is now required for cleanup of hazardous wastes.

IMPORTANCE TO STATE AND LOCAL GOVERNMENTS

I also would like to point out that our assessments are quite frequently of topical importance to State and local government. Our focus is on Federal issues, but the analyses are frequently just as relevant for decisionmakers at the State and local level.

I will give you a couple of examples, focusing on environmental problems, that illustrate the links of concern and response between different levels of government and show how some of OTA's work is also highly relevant to State issues.

In the area of hazardous waste, any State with large concentrations of industry, commerce, and people must deal with the problem of managing hazardous waste. It is inescapable. In New York, Mr. Chairman, you have one of the most progressive, sophisticated, and stringent State hazardous waste regulations and policies of any of the States. In our assessment, "Technology and Management Strategies for Hazardous Waste Control," the specific findings that we made support the New York State hazardous waste program as being more effective than the current Federal hazardous waste programs under RCRA and CERCLA.

The OTA report is the only major study to focus on the hazardous waste problems faced by the States as well as the Federal Government. It points out, first, that there are problems of insufficient technical and financial support from the Federal Government to the States; second, that apparently EPA has been unwilling to work, in the past at least, with the States to insure early contributions by the States on hazardous waste policies and regulations; third, that there has been difficulty in selecting and cleaning up Superfund sites; and last, that there is need to shift from landfill disposal of wastes to waste reduction and other waste treatment methods.

I expect that many States will use the OTA report. In fact, I have heard from a number of Governors that they will use OTA's report to document and support their positions, some of which take issue with present Federal regulations.

TRANSPORTED AIR POLLUTANTS

The second example I would like to mention, Mr. Chairman, has to do with transported air pollutants. In our work on regional implications of transported air pollutants, we focus primarily on acid deposition and

ozone. This is now in the final stages of work preparatory to publication later this spring.

The report concentrates on transported air pollutants because of concerns that the Clean Air Act, which was designed to control local air pollution problems, does not adequately address those pollutants that move across State and international boundaries. The importance of distant sources of pollution, as compared to local sources varies across the Eastern United States. We estimate that in New York City about half of the sulfur oxides that are deposited there originate from sources of emission more than 300 miles away. Large areas of the Eastern United States are at risk from these transported pollutants. We estimate that about a fourth of the land area of the Eastern United States contains some lakes and streams that are at risk from acid deposition. We estimate that about 25 percent of the lakes and streams in that land area are extremely sensitive to the effects of acid deposition.

Potential losses of visibility, forests, farm and water resources are as important for not only economic but also esthetic and employment reasons. Transported air pollutants also pose risks for human health, as you know. Of greatest concern are extremely small and inhalable particles, which include airborne sulfate transformed from sulfur dioxide gas that can cause lung damage. When these pollutants come out of the smokestack, they are typically in the form of sulfur oxide, which when put into the atmosphere can be chemically transformed to acid sulfates and particulates that are a lot tougher than sulfur oxide.

We cannot calculate the amount of the various risks and costs that are due to transported air pollutants, but we know they are significant. However, the costs of reducing these pollutants that lead to acid deposition and ozone are also significant. The cost of reducing sulfur oxide emissions by 8 to 10 million tons per year, which is the range being used in several bills reported to the Senate Committee on Environmental and Public Works, is estimated to be about \$2 to \$4 million per year in 1980 dollars. That could result in average increases in electricity rates—since powerplants are the biggest polluters—from a few percent to over 10 percent in some of these emitting States. Emissions controls will also affect coal production, displacing jobs in some of the high-sulfur coal fields but increasing jobs in some of the low-sulfur production areas. It is a complicated issue of costs borne at the emission side versus costs that are incurred downwind.

The OTA report discusses the options that are available to Congress to address that issue. It concentrates on the question of whether to act now to abate the acid rain pollution or to wait until better information is available.

If Congress chooses to reduce the emissions, there will be a great controversy about the amount of emissions reduction. We conclude in our study that sulfur dioxide emissions reduction of 8 to 10 million tons per year might protect all but the most sensitive aquatic resources in many areas but may not provide similar protection for areas currently receiving the highest levels of deposition. These include the higher elevations in the Adirondack Mountains.

INTERAGENCY COORDINATION

Mr. Chairman, I provide some discussion of our interagency coordination and cooperation with the other legislative agencies in my complete report to you. I will mention only that I am gratified at the continuing progress with our sister agencies, not only in assuring that we avoid duplication, but also in taking full advantage of each other's resources in carrying out our work.

RESOURCES AVAILABLE TO OTA

Over the past several years we have raised our productivity in OTA in terms of output. At the same time, resources that have been previously available to the agency have been curtailed. In addition to congressional appropriations, the resources available to us include analysis and data from the executive branch agencies as well as free assistance that has been provided in the past from other sources both inside and outside government. As a consequence, we are facing increased costs and lowered purchasing power, while simultaneously we have been receiving many more requests for both full assessments and special assistance.

Our requests in the 1983 program and pay supplementals reflect this situation.

We are more than covered up by unexpected requests for delivery of interim results from our assessments in progress as well as by unanticipated requests for assistance and analysis after the delivery of an assessment.

As one example, we have not yet completed our work on acid rain, but our deliveries so far to Congress in that project consist of a substantial amount of supplementary analysis, testimony, and briefing.

This situation has been difficult to manage with level resources, and with the decreased purchasing power of fiscal year 1983, we have been forced to defer and substantially compromise our response to a number of what we deem to be high-priority requests.

RESOURCE REQUIREMENTS

Senator D'AMATO. I would like to get into that if I may interrupt your testimony.

In terms of your deferral of some of the reports which have been requested, what would you think would be necessary in order to undertake these reports? What will it take for you in order to do your job? Is the current personnel ceiling of 130 adequate in light of the increasing workload?

Mr. GIBBONS. There are several questions there. Let me see if I can address them one by one.

Senator D'AMATO. Do you need more people?

Mr. GIBBONS. The answer is "Yes," but that depends on a lot of things. First of all, our present number of staff is 130, which is a little less than 15 percent of the Congressional Research Service and about 2½ percent of GAO's personnel. We have been operating with a ceiling

of 130 people since about 1978, the year before I came to OTA. I am finding through 3 years of experience that in order to do the kind of work that legitimately comes to us from Congress we are consuming people through overload at a rate that simply cannot continue on a sustained basis.

As I examine the way OTA operates, with its nine programs covering major areas of technology, I calculate the minimum number of core staff to do the necessary analysis and make use of outside resources to be from 140 to 150 people, about 10 to 20 more than we have. Without this additional staff, we have to do a lot of shifting around every time new work comes in.

Senator D'AMATO. You are saying that with 10 to 20 more people you can improve your efficiency?

Mr. GIBBONS. Substantially, Mr. Chairman. I have not asked for that increase in this year, Mr. Chairman, because I know that all of the Federal agencies are being and should be stretched in terms of making fullest use of our resources. I have not asked for a personnel increase for several years, as I have felt that we should try to demonstrate with experience how far we can go with this 130.

Senator D'AMATO. How far can you go? Have you reached the limit?

Mr. GIBBONS. We are up against the wall.

TIMELINESS OF REPORTS

Senator D'AMATO. There comes a point when you cannot discharge the responsibility in the manner that provides the Office with the ability to meet its mandate in a conscientious and scientifically accepted way within the appropriate periods of time. Many of the studies that we ask of you are definitely tied to your ability to respond, not only in a technically correct and accurate manner, but also in a timely way, because the information can become outdated; for instance in the Love Canal situation. For the record, OTA is reviewing this situation, where there is a possibility that people may be coming back into that area in June. That means right now there are people who are entering into contracts to sell their present residences to move into the Love Canal area and are waiting for OTA's report. If OTA does not have the resources to make that report a timely one, in this particular instance it may be completed after the fact, after some people have moved back. And although the EPA evaluation has indicated that the area is habitable and would be safe, if your report indicates that is not the case, then we really have a problem.

FISCAL YEAR 1983 SUPPLEMENTAL REQUEST

Now, we come to the supplemental appropriations. You asked for a fiscal year 1983 program supplement of \$245,000. What developments occurred which induced you to submit the supplemental request?

Mr. GIBBONS. There were three reasons. One had to do with a number of unexpected requests for follow-on work. This included the nuclear waste disposal issue which, as you know, was picked up in December and resulted in a bill that reflected a lot of OTA's study. Since

that time, we have also had requests from both Senator Stennis and the chairman of the House Committee on Rules to give further assistance in that area.

The same has happened in our work on atmospheric contaminants, where we have had requests from both Senate and House, on medicare costs, on steel competitiveness, and on ocean thermal energy.

A number of requests we had not anticipated are feeding directly on our analytical skills and our knowledge in those areas.

MANDATED ASSESSMENTS

Senator D'AMATO. Are you finding that OTA is involved in projects or studies that do not come through the standard approval method prescribed in OTA's originating statute?

Mr. GIBBONS. Yes, sir. If you have a small staff, it is particularly disturbing to have a mandated study come in from a direction that bypasses consideration by OTA's Congressional Board. We have encountered that in the past, and we are doing a better job now of helping committees understand that this is definitely not a preferred method of operation.

One or two have been mandated. In fact, one is part of this supplemental request; namely, an OTA-mandated involvement in, and evaluation of, a high-speed ferryboat system.

I am pleased to report at this time that we have been fortunate in our recent negotiations with the Department of Transportation to get them to furnish most of the material we would need for this study, so the cost that I had originally included in the supplemental to carry out that work, can now be removed from my request.

Senator D'AMATO. While I am not referring to the actual particulars in that study, it seems to me that your resources are of such a nature that all requests should be carefully screened, because otherwise you are going to have congressional committees writing legislation mandating everything to OTA to study.

If that were to happen, your effectiveness in terms of dealing with such issues as acid rain, contamination, transportation, atomic waste storage, et cetera, would be diminished.

Mr. GIBBONS. One thing we have been able to do with a number of committees, Mr. Chairman, is to try, at first, to get them simply not to put the language in the bill.

Our second attempt, if they insist on putting it in, is to get them to add the proviso that if OTA is to undertake the work, it has to be approved by OTA's Board just as any other assessments. That is our second line of defense, and it has worked in a couple of instances. But your support for the agency in this matter is very much appreciated.

Senator D'AMATO. We will see what we can do.

Mr. GIBBONS. Mr. Chairman, there is some language in our request which, if your committee approves, would assist us in this matter. It is language that makes such things subject to OTA's Board's approval.

INTERAGENCY COOPERATION

Senator D'AMATO. Good. Let me ask you with respect to the new procedures that the committee has developed with your agency to avoid duplication among the congressional support agencies, are these procedures being adhered to? What problems have developed in their implementation; that is, the problem of avoiding duplication?

Mr. GIBBONS. Apropos of your letter of this winter to the four agencies, we have met and developed some additional procedures that we have agreed will strengthen the work that we have been doing, such as periodic formal review at high level within the four agencies of all significant or large projects being undertaken by the agencies.

We have adjusted this so that it does not become onerous to us in the review process but will provide for an even finer net to be cast over the new work. That is one thing I am pleased is moving along. We have had, it seems to me, the finest kind of attitude on the part of my colleagues in the other agencies.

There are several other examples where the congressional agencies are not only avoiding unnecessary duplication but are also taking better advantage of each other. I will be pleased to supply for the record, Mr. Chairman, a few examples of where the other agencies are assisting us in some of our assessment work.

Senator D'AMATO. Good.

[The information follows:]

EXAMPLES OF OTA USING WORK OF OTHER AGENCIES

CBO will provide a chapter or two on airport funding and financing mechanisms for airport systems development.

CBO provided MX costing model using OTA's assumptions and data as input.

GAO California field office briefed us on operations of the Air Force Ballistic Missile Office, which develops the MX.

CRS helped with computer projections on the speed of no-till agriculture adoption in United States for land productivity report.

CRS is cooperating in development of papers and workshop on neuroscience.

GAO working on procedural aspects of the Love Canal rehabilitation decision.

CRS Soviet specialists provided help on Soviet energy study.

CBO provided working paper on financing radioactive waste disposal program for managing commercial high-level radioactive waste project.

CBO provided staff assistance in analyzing the FAA traffic forecasts for review of the FAA 1982 national airspace system plan.

LIBRARY OF CONGRESS ADMINISTRATIVE SERVICES

Mr. GIBBONS. Third, I would like to remind you, Mr. Chairman, that we now use the services of the Library of Congress for many of our administrative activities. Travel, financial arrangements, payroll, and other things are done by the Library of Congress, which avoids some of the cost of administrative duplication.

While I am on this subject, it is important and helpful that both Mr. Bowsher and Mr. Gude serve on OTA's Technology Assessment Advisory Council and, therefore, meet with me in yet another way twice a year to review our activities.

REQUESTS FOR NEW STUDIES

Senator D'AMATO. Traditionally OTA has undertaken about 15 new studies annually. I have been given to believe that you are not able to undertake those 15 new studies in 1983 because of fiscal constraints.

I would imagine there are many, many more than 15 requests; is that not correct?

Mr. GIBBONS. Yes, sir.

Senator D'AMATO. So you could undertake many more in areas of important consideration to the general purposes of OTA if you had the personnel and the financial resources; is that not correct?

Mr. GIBBONS. I believe so, Mr. Chairman, especially at a time when analytical capabilities in other parts of the Federal Government are not as available to us as they once were.

Senator D'AMATO. So there is a need for you to undertake many more than 15 new starts?

Mr. GIBBONS. I believe so.

Senator D'AMATO. But you couldn't undertake 15 this year?

Mr. GIBBONS. That is correct. This year I believe we will be undertaking perhaps somewhere between 10 and 12 and that number is primarily driven by our tight financial situation.

Senator D'AMATO. At some point in time, the Board established a policy that said OTA will attempt to respond to worthwhile requests in important areas of consideration, et cetera, but we can only handle x number, and that number was determined to be a maximum of 15?

Mr. GIBBONS. The maximum was not a Board determination, Mr. Chairman. It evolved over the years in which OTA began to be discovered by the committees and the interest in OTA's work began to increase. The Board was, I think, satisfied 3 or 4 years ago that 130 people was an appropriate level at which to operate, at least at that time; and that dictated a number of about 15 as our maximum new starts we could undertake in a year.

I have attached in my written testimony a list of a large number of topics that have been identified as appropriate subjects for assessment by OTA. Most of these are timely, and yet there is no way we can start even a fourth of those in the next year.

Senator D'AMATO. Let me commend you on the work you have done with the acid rain problem. I am not going to get into any details now concerning removal of 6 or 8 million tons of pollutants by asking you what it will or won't do for New York, but I think at some other time we can get into that in a little more detail.

OTA'S ASSESSMENT OF FAA TRAFFIC CONTROL TECHNOLOGY

I see in your testimony, OTA identified an alternative to FAA's airport traffic control development plan that would save substantial sums of money as well as result in more effective systems for 1990 for U.S. commercial and private air carriers.

What is taking place now? Is FAA looking at your report in that regard? Are they implementing any of it? Are they headed in the right direction or going in the wrong direction?

Mr. GIBBONS. I have not reexamined that situation in recent months, Mr. Chairman, but we know that the FAA considered this alternative plan, which was to accommodate the present system in the most crowded airports and meanwhile take advantage of the fact that computers are advancing so rapidly by holding off a few years to commit to the computers that are needed for the 1990's.

Their plan, which they have argued for, is to go ahead with the new computer and shift the system over to it.

I would be happy to supply for the record what the situation is at this point.

Senator D'AMATO. I would appreciate your supplying for the record what your recommendations are and what the FAA is doing with your most recent study.

Mr. GIBBONS. We will submit that to you. There is a fair difference both in dollars, and ultimately, effectiveness, between the two alternatives.

Senator D'AMATO. We are talking about a program that goes into the billions of dollars.

Mr. GIBBONS. Yes, sir.

[The information follows:]

Summary of OTA Findings on the NAS Plan

The OTA review of the National Airspace System (NAS) Plan, conducted between January and May of last year and published in August 1982, presented the following major findings concerning FAA's proposed approach to modernizing the air traffic control computer system:

- o The basic FAA strategy -- "rehosting" the present software on new computers to be followed later by substitution of new software and installation of new controller displays and work stations -- is technically feasible, but it runs the risk of freezing future development by limiting system capability to that of present-day computers.
- o An alternative approach -- upgrading the existing computers to meet interim needs, while carrying out a parallel effort to design a new system of hardware, software and displays as an integrated package -- could take better advantage of rapidly advancing computer technology and provide a replacement ATC computer system within the same time frame as the approach selected by FAA.
- o This alternative strategy was originally favored by FAA in a report to Congress in January 1982* but later rejected -- without explanation -- in the NAS Plan. OTA found this surprising since the January report to Congress (issued at almost the same time as the NAS Plan) argued that integrated system design was preferable to "rehosting" on technical grounds and would cost \$186 million less. OTA took the position that FAA should at least explain to the Congress why it was reversing its position and apparently passing up the opportunity to procure a new integrated system unencumbered by possible shortcomings of a "rehost" computer selected, in part, for its capability to run the existing obsolete software.
- o In the area of computer replacement particularly, but also in general throughout the NAS Plan, OTA found that FAA's proposals lacked the detail and justification usually needed for budgetary approval and implementation.** Further, the NAS Plan lacked a clear sense of priorities and provided no contingency plan to cope with the delays and problems that will inevitably arise in an undertaking of this magnitude and complexity.

* Response to Congressional Recommendations Regarding FAA's En Route Air Traffic Control Computer System, DOT/FAA/AAP-82-3, January 1982.

** This was also the finding of an independent GAO study, AFMD-82-66, April 20, 1982, completed at about the same time as the OTA review. GAO later reaffirmed this view in AFMD 83-34, February 16, 1983.

- o Finally, OTA recommended that FAA should take steps to strengthen its internal capability to manage system acquisition and should engage the services of an outside systems integration contractor to oversee the implementation of the NAS Plan.

These points were stressed by OTA in testimony before the House Committee on Appropriations on April 20, 1982, the House Committee on Science and Technology on April 29, 1982, and the Senate Committee on Commerce, Science, and Transportation on May 24 and June 24, 1982.

FAA Response

In testimony before the abovementioned Committees and before the House Committee on Public Works and Transportation and the Senate Committee on Appropriations, FAA Administrator Helms maintained that, because of the obsolescence and unreliability of the present computer system, a replacement must be put in place promptly, and there was not time for further study of alternatives. He defended the reasonableness and feasibility of FAA's selected approach, although not necessarily its superiority to alternatives such as that pointed out by OTA. In general, Mr. Helms took the position that he was seeking overall approval to proceed with the NAS Plan and to institute a broad program of improvements that were long overdue — leaving details to be worked out administratively and in subsequent oversight hearings with the Congress. To this end, he also asked the Congress to assure stable, long-term funding for the plan by reauthorization of user fees to support the Airport and Airways Trust Fund.

Mr. Helms was able to muster support for the NAS Plan from a broad spectrum of the aviation community. The prevalent industry view seemed to be that, while there were individual elements of the plan not to the liking of one group or another, the basic direction was sound, and there was a need to move forward without delay in the interest of maintaining safety, increasing capacity, and cutting operational costs.

Subsequent Events and Current Status

Mr. Helms was successful in securing Congressional approval to proceed with implementation of the NAS Plan, subject to the customary continuing oversight. In September 1982, Congress further agreed to provide stable funding through FY 1987 by enacting the Airport and Airway Improvement Act of 1982 (Title V, PL 97-248), which reauthorized the collection of user fees to support the Trust Fund. A total of \$6.1 billion was authorized for facilities and equipment and \$1.1 billion for research, engineering and development for the period FY 1983 to FY 1987.

In April 1983, FAA issued the first of the congressionally mandated annual revisions of the NAS Plan. The revised plan is essentially the same as the original plan, containing only minor program changes and some additional detail. This document indicates

that FAA is holding firm to the approach to computer replacement laid out over a year ago. Implementation, however, is proceeding more slowly than planned. The selection of contractors to supply the new host computers and to develop new ATC system software was originally scheduled for late 1982. Both these procurements have been delayed, and FAA now expects to award the host computer contract by August 1983 and the software contract by February 1984, both about one year behind schedule. These events underscore the need for contingency planning — a need pointed out by OTA in reviewing the original NAS Plan.

In February 1983, GAO issued an update report on the NAS Plan, requested by the House Committee on Government Operations. The principal recommendations of this report were 1) that FAA develop an integrated long-range plan for aviation addressing all aspects of the National Airspace System, 2) that FAA plans should identify priorities, subsystem costs, and interdependency of projects, and 3) that FAA strengthen its capability in the area of managing system acquisition and integration. These findings are in close agreement with those of OTA's NAS Plan review a year ago, and OTA regards the two GAO reports as independent confirmation of the correctness of our findings.

In one respect, FAA appears to have heeded the advice of OTA and GAO. FAA has recently announced its intent to engage the services of a systems integration contractor to oversee, initially, ATC computer system replacement and, later, the acquisition and integration of other major subsystems such as new weather radar (NEXRAD) and communication links. Bids have been solicited from several major aerospace firms, a contract award is anticipated by the end of this year.

The recent GAO report mentioned above sheds new light on the computer replacement issue raised by OTA and by GAO in their report of April 1982. Upon re-examination GAO now concludes that FAA made the correct choice in pursuing the "rehosting" strategy for computer replacement. GAO found that the earlier FAA analyses of alternatives were methodologically flawed, leading them to misestimate the cost advantages of upgrading of present 9020A computers to 9020D computers followed by a complete system redesign. GAO's latest report also casts doubt on the technical feasibility of 9020A to 9020D upgrading, chiefly because the manufacturer of this equipment (IBM) does not consider it practical and cost-effective and would do so only in response to a national emergency. In drawing attention to this matter, OTA prompted FAA to clarify its position on the strategy for ATC computer replacement and provided GAO with a point of departure for examining the basis for FAA's earlier report to Congress. As a result of these efforts by OTA and GAO, and FAA's subsequent explanations, the Congress now is in a better position to evaluate this aspect of the NAS Plan.

CBO, at the request of the Senate Budget Committee, has just completed a benefit-cost analysis of the NAS Plan. This study, which was essentially an analysis of the plan as a national investment, concluded that with respect to the criteria of rate of return, benefit-cost ratio, and benefits minus cost, the NAS Plan was sound overall. This conclusion held even under a combination of worst-case conditions such as cost overruns, slower than forecast

growth in air traffic, lower than anticipated gains in controller productivity, and reduced cost savings to air carriers. While CBO concluded that the plan was a sound investment overall, they did not find all elements of the plan to be cost-effective. In particular, CBO found that systemwide implementation of Microwave Landing System might not be as advantageous as selective installation at only the most crowded airports.

Interagency Cooperation

In conducting the review of the NAS Plan last year, OTA worked closely with GAO and CBO. Collaboration between CBO and OTA is being carried on even more widely in studies of airport system development needs.

In the NAS Plan review, representatives of CBO and GAO took part in the general conference held by OTA on April 1-2, 1982, where they were invited to make presentations of their views and the specific results of studies then in progress at their respective agencies. In addition, GAO and OTA personnel exchanged documents and background material pertaining to the NAS Plan and provided each other advance copies of their reports for review and comment. CBO made available to OTA the services of a staff member to analyze FAA traffic forecasts. This CBO representative also took part in a special forecasting working group convened by OTA and made several other substantive contributions to the final OTA report.

In the current OTA assessment of airport system development, we are cooperating with CBO even more extensively. CBO is conducting analyses of airport capital improvement needs through 2000 and of the adequacy of present and alternative funding mechanisms. This work will form an integral part of the OTA report, which in this area will be tantamount to a joint OTA-CBO report. It is also planned that CBO will contribute substantially to the analysis of policy options, many of which will be concerned with alternative means to provide funding for future airport expansion or construction.

CBO has just issued a report entitled "Public Works Infrastructure: Policy Considerations for the 1980s." In this instance, the roles were reversed. OTA provided CBO information on air traffic control and airports, helped CBO personnel in the analytical work, and reviewed the CBO report in draft form. The experience in these two parallel efforts -- the OTA airport assessment and the CBO infrastructure study -- provide an example of the concept of shared staff, whereby each agency can profit from the special expertise of the other.

GAO COOPERATION

Senator D'AMATO. GAO is also doing work with the FAA. Was GAO brought into your study at all?

Mr. GIBBONS. Mr. Chairman, when we take on a study such as that, we immediately contact CBO, GAO, and CRS to find out what they have done and are doing so we can take off from that point.

Mr. Chairman, we had full cooperation with GAO on that study. They shared their resources and their knowledge in several informal but for-the-record briefings.

Senator D'Amato. I would appreciate it if you get that further work done and contact us.

Mr. GIBBONS. We will be pleased to do so.

STAFF REQUIREMENTS

Senator D'AMATO. I would appreciate it if you would submit to this committee what you consider to be an adequate number of staff you need and go into detail about your requirements. If you were going to ask for an increase in personnel to carry out the mandates of OTA, what kinds of people would you bring in? I would like some specificity because I do believe that this work is important and that an investment of minimal dollars at the present time could result in Congress having a better idea of the magnitude and scope of problems and issues you address.

As you have indicated, early work in the area of toxic and solid wastes could have resulted in savings many thousand times over the projected cleanup costs. I think, similarly, it may behoove us to move in that direction, and I think if you could provide us the necessary substantiation for that, I would certainly look at it very closely. Maybe the Ap-propriations Committee would be inclined to share that approach.

Mr. GIBBONS. We will be pleased to submit that to you, Mr. Chairman.

Senator D'AMATO. I thank you, very much.

[The information follows:]

STAFF REQUIREMENTS

OTA has been assigned a staff ceiling of 130 persons since 1978. During that period, OTA's workload has expanded substantially. We have accommodated this expansion through a combination of increased contracting and improved staff productivity. Over the past two years, however, such accommodation has become increasingly difficult, especially as Congress places additional emphasis on delivery of interim results and on special analyses and briefings after the formal study has been completed. This kind of work must be done by in-house staff. Since OTA tends to tackle some of the most enduring technical issues faced by Congress, we find that updates of earlier studies are now frequent events. This situation also places much heavier emphasis on a strong in-house staff.

OTA should never attempt to diminish its historic, substantial involvement of non-Congressional experts in its studies. At the same time, OTA must have sufficient in-house expertise to continue to perform independent analysis, efficiently utilize external resources, and effectively communicate results to Congress. After reviewing our present personnel situation and our experiences over the past two or three years, I conclude that OTA would be able to operate more efficiently and effectively with the following additions to the staff:

Energy, Materials, and International Security Division

1. Ph.D. in Materials Resources Management to work in the areas of availability and substitution of materials resources, which will assist Congress in issues of critical materials import strategy, economical repair and replacement of infrastructure, and encouraging increased industrial productivity.
2. Ph.D. in international economics to work in the areas of technology transfer and international competition in high technology industries, which will assist Congress in framing issues of regulating high technology trade and promoting U.S. competitiveness.
3. Ph.D. in aeronautical engineering to work in areas of space transportation (civilian and/or military) and required critical materials, which will assist Congress in shaping effective and affordable advanced technology programs in these areas.
4. Ph.D. in political science/international affairs to work in areas of political and diplomatic constraints on high-technology trade, which will assist Congress in formulating effective legislative responses to the regulations and support measures which other countries have enacted.

Health and Life Sciences Division

1. M.D. trained in science to work in areas of neurosciences, aging, biotechnology, and effects of environmental exposures on health, which will assist the Congress in understanding the implications of an aging society and in developing possible approaches to such problems as senility, biomedical research priorities and employment issues, especially for elderly people.

2. Ph.D. economist in international trade and industrial competitiveness, which will assist the Congress in understanding innovation, reindustrialization, U.S. competitiveness in areas related to life sciences (such as biotechnology).
3. Ph.D. in health care delivery, administration, and financing, which will assist the Congress in understanding issues related to medical technology and health care delivery, such as costs of medical care and ways to control them, assuring quality of care, changes in the Medicare program.
4. Ph.D. in biology and ecology, which will assist Congress in studies related to natural resources, such as agriculture and sustaining agricultural productivity, uses of surface and groundwater, sustaining wildlife and forests.

Science, Information, and Natural Resources Division

1. Ph.D. or M.S. in transportation system planning and analysis, transportation technology, and modally specific studies, which will assist Congress in policy issues concerning transportation with emphasis on goods movement.
2. Ph.D. in information technology with a heavy technical background in computer and communications technology, which will assist Congress in dealing with the impact of information technology on automation, employment, training, and related structural changes.
3. Ph.D. or J.D. in policy analysis with a legal and scientific background and several years of experience in ocean-related policy analysis, particularly as it relates to such issues as freedom on the high seas for scientific research, ocean resource development and marine pollution.
4. M.S. in natural sciences with experience related directly to natural resource and environmental issues to assist in the performance of related assessments.

Cross-Divisional Support

1. M.S./Ph.D. in engineering, math, or computer sciences to provide computer information analysis in support of OTA's computers, word processors, communications and specialized equipment for assessment production.
2. M.S./Ph.D. information specialist to gather, analyze, and edit data to be used by the professional staff in the performance of assessments.
3. M.S./Ph.D. in process engineering to design and implement OTA processes to increase productivity in the production of assessment reports and related activities.

FY '84 Budget Implications

The cost (in addition to the \$14.6 million) to provide for the above fifteen staff positions for FY '84 is estimated to be \$600,000, plus \$800,000 in non-staff costs for contracting and related activities.* This would:

- (1) Increase the projected number of new assessments from 15 to 18 which would provide for additional work in the areas listed in Attachment 4 to the Director's testimony.
- (2) Provide resources to allow OTA to respond to more Committee requests for special analyses based on OTA's ongoing and completed assessments. These analyses will probably include topics such as the Clean Water Act, Section 404; Clean Air Act; Hazardous waste cleanup; fission reactor alternatives to the Clinch River Breeder Reactor; and coal leasing.
- (3) Fund "updates" of completed assessments where the relevant Committees agree that (a) the subject is of current importance, and (b) enough has changed since the assessment was completed to warrant an update. Candidate assessments would be cancer research, other health areas, etc.

If no additional staff is provided, an additional \$500,000 could be productively used to contract for the most critical of the special analyses in (2) above.

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- * Although the proposed additions to staff would be mostly dedicated to increased workload, a portion of the staff increase would be used for some activities presently accomplished at higher cost by contract.

PREPARED STATEMENTS

Senator D'AMATO. As I indicated in my opening remarks, we have received your prepared statement, together with those of Senator Stevens and Congressman Morris Udall. Without objection, they will appear at this point in the record.

[The statements follow:]

STATEMENT OF JOHN H. GIBBONS

Background

OTA is the primary agency of Congress charged with analyzing the influence of science and technology on society and the implications for Federal policy. OTA's subject area covers numerous large-scale, complex and sophisticated technologies. Its work includes both classified and unclassified analyses of issues dealing with national security, technology transfer, international trade, health and safety, energy and material resources, wastes, air and water, agriculture, and new developments such as biotechnology and programmable automation.

Because it must analyze technologies and their associated social, economic, and environmental impacts, OTA's staff must be expert in a wide variety of disciplines. In addition, OTA must draw on a broad base of expertise inside and outside government in order to carry out its work.

Governed by its bipartisan, bicameral Technology Assessment Board, OTA typically completes fifteen major assessments each year. OTA also provides Committees (upon request) with a variety of analytical services drawn from past and ongoing assessments, such as briefings, testimony, and other interim reports. A list of the 88 Committees and Subcommittees OTA directly responded to in FY '82 is appended to this testimony (Attachment 1). In addition, all Members receive Summaries of OTA Reports as they are released, and they are sent periodic updates that briefly describe all assessments currently in progress (see Attachment 2). Requesting Committee Members and other Members who have expressed specific interest in an ongoing assessment are provided highlights of progress on a quarterly basis. OTA's Congressional Board meets as required, typically bi-monthly. The Board and OTA's Appropriations and Oversight Committees receive detailed quarterly reports from the Director of OTA.

By law, OTA's Board can authorize new assessments in response to requests by Committees, upon recommendation of the Director, or on its own

initiative. Almost all of OTA's current agenda of assessments reflects requests by one or more House or Senate Committees (see Attachment 2).

The specific subjects of OTA's work cover a remarkably wide spectrum, but they normally fit into one of nine OTA Programs organized around major issue areas. This provides a convenient and effective management structure. It also helps maintain the institutional memory necessary to be responsive to technical questions from Congressional Committees and staff. A key ingredient of that institutional memory is continuous interaction with peers in other agencies of government as well as outside government. This process, combined with carefully formulated advisory review and analytical procedures, enables OTA to gather, synthesize, and reflect in its reports the national wisdom available on a given subject.

Impact of OTA's Work

OTA's work can be divided into three complementary roles:

(1) Resolving Uncertainties and Conflicting Claims.

OTA helps Congress to understand why "experts" can sometimes make such contrasting claims and conclusions about an issue (e.g., acid rain; MX missile basing). By sorting fact from opinion, OTA helps Committees focus debates on those areas that will not easily yield to analysis. Thus OTA's contribution is to raise the quality of the debate. For example:

- o OTA's analysis of Soviet Energy Availability resolved long-standing differences among previous studies of Soviet petroleum development forecasts and identified Russian natural gas as a far more pivotal fuel for the Soviets in this decade than had been previously recognized.
- o OTA's report on Technologies for Determining Cancer Risks from the Environment examined the validity and reliability of animal test data, confirming that such data are generally predictive of human

cancer. A wide variety of experts, as well as representatives of such groups as industry and organized labor, agreed with this conclusion.

- o OTA has attempted, in Technologies and Management Strategies in Hazardous Waste Control, to credibly sort the relationship of degree of hazard (both in quality and quantity) with the degree of response needed to responsibly store, dispose, and monitor hazardous waste.

(2) Identifying and Evaluating Alternative Options

In any debate it is important to understand the reasons for conflict and disagreement; it is helpful to gain a sense about where knowledge leaves off and speculation takes over; but it is essential, in policy analysis, to respond to the rhetorical question, "...therefore, what?" In response to that question, OTA attempts to identify policy options for Congress that can be considered in order to resolve the issue. For example:

- o OTA's work on the management of high-level commercial nuclear wastes resulted in a comprehensive policy package on which Members of Congress could draw in fashioning apparent resolution of a controversy that ran for more than two decades. The nuclear waste legislation that was passed by Congress in December, 1982, largely follows the findings in OTA's assessment. The Act, generally supported by the States, nuclear industry, utilities, scientific and most public interest groups, is expected to break a 20-year logjam in deciding how to manage nuclear waste.
- o In its work on air traffic control technologies for U.S. commercial and private aircraft, OTA identified an alternative development plan that could save substantial sums of money as well as result in a more effective system for the 1990's.
- o OTA's acid rain analyses help evaluate the implications of different proposed amendments to the Clean Air Act. During 1982 OTA was able

to provide the Committees with rapid evaluations of the costs and benefits, by state, of various proposed changes in the Clean Air Act. OTA's improvements of computerized air pollution models originally developed by the Department of Energy have since been adapted into that Department's current modeling work.

- o OTA's study on land productivity provided a set of options for preserving the productivity of our agricultural resources while at the same time enabling production to be sustainable for an indefinite time. It showed that the present public investment in controlling soil erosion was capable of substantial improvement by concentrating on areas in greatest need rather than uniformly spread investments.

(3) Providing Foresight

When Congress created OTA, it called for the agency to give attention to emerging technologies — to provide foresight or early alert on new developments that could have important implications for future Federal policy. For example, OTA was able to give Congress several years lead time in recognizing the economic and technical implications of increased energy price and decreased availability on the resulting decrease in energy required for economic growth.

More recently, OTA's studies in areas such as medical technologies; applied genetics; civilian space technologies; and implications of advancing information technologies such as computers and robots on employment, education, competitiveness, and privacy, have provided Congress with an improved sense of how such developments may affect society and federal policy. If through such studies we can gain a clearer view of how technology can be applied to provide the most desired forms of growth with the fewest undesired side effects, then the rewards could be enormous. Our current, costly confrontation with toxic chemical wastes is an example of the burden of careless actions on others — burdens that could have been avoided for a small price compared to the cost of clean-up and settlement of claims.

International Significance of OTA

The United States is not alone in its struggle to use technological innovation as a means for economic growth and enhanced national security. There are few nations in the world that have not taken that same road. Over the past two or three years, the OTA process has been examined with escalating intensity by other nations (both East and West) who view OTA as a unique model for helping resolve technical conflicts in governance and helping leaders to better anticipate the impacts of technology. During FY '82 OTA received high-level visits from 28 different countries (see Attachment 3), and the general response has been enthusiastic. The interest of these countries appears to be fairly independent of their form of government or state of industrial development.

OTA publications have also been translated and commercially reprinted not only in the U.S. but in other countries, showing interest not only from governments but also from scientific and technological communities abroad. OTA reports have been used by policymakers in other countries, and, as other countries have become more involved in technology assessment, their analyses are useful to OTA. International contacts have improved OTA's awareness of and effectiveness in identifying important global issues, including areas such as international trade and technology transfer, which are of crucial importance to our economy and security.

OTA Assessments of Topical Importance to State and Local Government

While OTA's focus is on technology and policy issues for Congress, the analyses are frequently just as relevant for decisionmakers in state and local government. The following brief discussions illustrate the intimate links of concern and responsibility between different levels of government, and show, by example, how OTA's work is important with respect to state issues.

Chemical Wastes: Any state with large concentrations of industry, commerce, and people must deal with the problem of managing hazardous wastes. For example, New York is one of the states having more progressive, sophisticated, and stringent hazardous waste regulations and policies than the current EPA program. In our assessment, Technology and Management Strategies for Hazardous Waste Control, virtually all the specific findings concerning the effectiveness of the current Federal hazardous waste program under RCRA and CERCLA are supportive of the needs and interests of the New York state hazardous waste program.

The OTA Report is the only major study to focus on the hazardous waste problems faced by the states as well as the Federal Government. It points out, for example, (1) that there are problems of insufficient technical and financial support from the Federal Government to the states; (2) that apparently EPA is unwilling to work with the states to ensure early contributions by the States on hazardous waste policy and regulations; (3) there is difficulty in selecting and cleaning up Superfund sites; and (4) there is a need to shift from landfill disposal of wastes to waste reduction and waste treatment efforts.

I expect that many states will use the OTA report to document and support their positions, some of which take issue with present Federal policies. For example, OTA has suggested that funds generated by a Federal waste generator fee system under CERCLA be used to support state hazardous waste programs. Both the general and specific findings of the OTA study will be useful in analyzing specific problems and issues in specific dump sites, such as a follow-on analysis we are doing on Love Canal.

Transported Air Pollutants: Our assessment of Regional Implications of Transported Air Pollutants, covering, among other things, acid deposition and ozone, is in the final stages preparatory to publication. The Report focuses on transported air pollutants because of concerns that the current Clean Air Act, which was designed to control local air pollution problems, does not adequately address pollutants that cross state and international boundaries. The importance of distant sources of pollution as compared to local ones

varies across the Eastern U.S. Only a decade ago, many people argued that tall stacks were the answer to air pollution problems; while use of tall stacks can reduce local-scale pollution problems, we now believe that pollutants emitted are chemically transformed in the atmosphere and may be causing major problems far down-wind. We estimate, for example, that in New York State about half the sulfur oxides deposited there originate from emission sources more than 300 miles away.

Large areas of the eastern U.S. are at risk from two major air-transported pollutants -- acid deposition and ozone. We estimate that about 25 percent of the land area of the eastern U.S. -- including about two-thirds of New York State -- contains some lakes and streams at risk from acid deposition. Using available water quality data, we estimate that about 20 percent of the lakes and streams in this land area are either extremely sensitive to the effects of acid deposition or are already acidified.

Damage to crops from acid rain under natural conditions has not yet been observed, although experiments using simulated acid rain have produced quantifiable alteration of crop quality and yield reductions. There is little consistency among results of various researchers and therefore no generally agreed upon conclusion about the effects of acid deposition on crops.

Forest productivity declines and tree death have been observed in parts of New York, Vermont, New Jersey, and West Germany. Each of these regions receive elevated levels of acid deposition and because no other cause is apparent (e.g., insects, disease, or ozone), acid deposition is a prime suspect. However, no firm cause and effect relationship has been proven to date.

Ozone is also a threat to crop and forest resources. OTA estimates that ozone concentrations of 50 to 100 percent more than natural background levels may be responsible for as much as a 17-percent loss in soybean production and a 3-percent loss in corn production nationwide.

Transported air pollutants also pose risks to human health. Of greatest concern are extremely small, inhalable particles, including airborne sulfate transformed from sulfur dioxide gas that can cause damage to lungs.

Potential losses of productive forest, farm, and water resources are important for aesthetic, economic, and employment reasons. In New York alone, 65,000 people are employed by forestry and related industries; over 100,000 people are employed in agriculture; and over one million people participate in recreational freshwater fishing, not to mention those citizens simply exposed to these pollutants.

We cannot calculate the precise magnitude of the various risks and costs faced by each of the eastern states due to transported air pollutants, but they are significant. However, so are the costs to upwind pollutant-generating states of reducing emissions of the pollutants, such as sulfur and nitrogen oxides, that lead to acid deposition and ozone. Reducing sulfur dioxide emissions by 8 to 10 million tons per year (the range included in several bills considered by the Senate Committee on Environment and Public Works) is estimated to cost about \$2 to 4 billion per year (1980 dollars). This could result in average increases in electricity rates (powerplants being the greatest polluters) from a few percent to over 10 percent in some states. Emission controls would also affect coal production — displacing jobs in high-sulfur coal fields, but increasing jobs in low-sulfur production and pollution control industries.

OTA's Report discusses the options available to Congress to address the transported air pollutants issue. It concentrates on the question of whether to act now to abate acid deposition or to wait until better information is available about the nature of the problem and means of control. There are risks associated with either option — the risk of implementing a premature control program that may be more costly or less effective than optimum, as well as the risks of further resource damage by waiting.

If Congress chooses to reduce pollutant emissions, there will be great controversy about the appropriate amount of emissions reduction. We conclude,

for example, that sulfur dioxide emissions reductions of 8 to 10 million tons per year might protect all but the most sensitive aquatic resources in many areas but may not provide similar protection for areas currently receiving the highest levels of deposition. (These areas are the higher elevations in the Adirondack Mountains.)

Other concerns -- the boundaries of the region to be controlled, the pollutants to be reduced, the reduction requirements for each state, and the measures to mitigate adverse effects of a potential control program -- are also discussed in the Report.

Radioactive Waste Management: OTA's radioactive waste management assessment is an example of OTA's continuing contributions to Congressional decisionmaking on an issue of major importance. In July 1980, for example, an OTA interim staff paper was prepared for the Senate Committee on Environment and Public Works that identified the great potential for new on-site dry storage techniques as a practical, near-term alternative to away-from-reactor, centralized storage. An example in New York state of the vexing questions of radioactive waste management is the Nuclear Fuel Services plant at West Valley. The staff paper also underscored the potentially high value of Federal efforts to promote the use of new storage technologies at existing reactor sites through research and development and cooperative demonstration programs. Subsequently, such efforts became the main focus of the Department of Energy's spent fuel storage program and are included as a major emphasis of the interim storage provisions of the Nuclear Waste Policy Act of 1982.

OTA's analysis of the financing of nuclear waste storage and disposal -- supported by a paper prepared for us by the Congressional Budget Office -- called attention to the merits of funding waste management activities by mandatory fees paid by nuclear utilities. This OTA option was later included by Congress as a major feature of the Nuclear Waste Policy Act and is projected to save the Federal Government some \$14 billion (1982 dollars) through 2010. The revenues from the nuclear waste management fee are estimated by the Department of Energy to amount to \$448 million in fiscal year 1984 alone.

Groundwater Contamination: OTA has just begun an assessment of the Technologies to Measure, Monitor, and Mitigate Groundwater Contamination. As part of this effort, the project staff will analyze information on the nature and extent of groundwater contamination problems in the 50 states and on the amount of technical knowledge and experience available to deal with the problem. The study will then trace the implications of our technological capabilities for national policy.

Effects of Agent Orange: OTA's Agent Orange Protocol Review project, mandated by Congress to assure a careful, considered study of possible health effects from dioxin exposure in Vietnam, is also a state issue. For example, New York State's interest in veterans is strong enough that it has undertaken its own study of mortality profiles of Vietnam veterans and its own control study of soft tissue sarcomas in those veterans. OTA has been following those activities and keeps abreast of the relevant scientific literature. OTA also participates actively in the White House Cabinet Council Agent Orange Working Group, which coordinates all Federal efforts about Agent Orange and provides information and coordination for state efforts.

Medical Technology: New York's population has a higher than average proportion of elderly persons. Therefore, it could particularly benefit from access to the latest health-care technology information and a sound and rational system of financing health care. OTA's assessment of Medical Technology and Costs of the Medicare Program deals with methods of changing the incentives for the use and adoption of medical technologies under Medicare in order to protect health and save money.

Hazards in the Workplace: The health hazards associated with exposure to toxic substances in the workplace are of concern to any industrial state. OTA recently completed a study (now in press) on the use of genetic screening in the workplace as an improved procedure to identify those at risk from exposure to certain toxic substances. A number of major corporations in New

York State, such as Hooker Chemical and General Electric, are potential users of genetic screening methods if tests can be made sufficiently valid and reliable. I should note that one of the most renowned cytogeneticists in the United States (Dr. Arthur Bloom, of Columbia University's College of Physicians and Surgeons) chaired OTA's advisory panel on genetic screening in the workplace.

Another current OTA project, Health and Safety Controls in the Workplace, examines opportunities for improving worker safety and health that can come from industrial modernization. New York, as an industrial state with many aging factories, is one of the areas where such information could be of particular use. The project has a contract with a New York City group to prepare a case study of specific worker education and training programs related to health and safety within New York.

Industrial and Commercial "High" Technologies: Recent developments in the industrial and commercial applications of "high" technology, such as the use of computers and electronic telecommunications in the banking and finance industries and the replacement of human labor by robots in manufacturing industries, will have potentially far-reaching impacts. OTA is examining: (1) the implications of retraining large segments of the workforce to make them employable in changed industries; (2) the numerous financial centers located in states and the impacts of emerging telecommunications technologies on their operations; and (3) the implications of a changing industrial structure for regional development. OTA assessments on Computerized Factory Automation; Technology, Innovation, and Regional Economic Development; and Effects of Information Technology on Financial Services Systems should be of considerable use at the state as well as at the Federal level.

Rail Transportation: OTA's assessment of U.S. Passenger Rail Technologies will utilize data from several states to determine current activities in rail passenger corridor planning. New York, for example, is gradually upgrading its fixed rail facilities to improve passenger operations. It has also undertaken with the City of Montreal a preliminary

feasibility study on the possibility of implementing a high-speed system between Montreal and New York City.

Energy: In 1980, 32 percent of New York's electric energy was generated from oil, and New York's total oil consumption in that year was 1.12 million barrels per day -- over 6 percent of the total consumed in the United States. OTA's assessment of Strategic Responses to an Extended Oil Disruption is an analysis of strategies to replace the use of oil in the event of a long-term disruption of oil imports. OTA is also examining the question of how to expand the transmission capacity of natural gas and electric energy from other regions into the Northeast in order to provide additional non-petroleum energy supplies, if required. This study will also consider the energy conservation opportunities for reducing oil use over a period of several years. This conservation analysis will use, as one of its major references, OTA's recently-completed assessment of Energy Efficiency in Buildings and Cities. Incidentally, Buffalo, New York, was one of the five cities analyzed as a Case Study in that analysis.

Interagency Coordination

In an effort to conserve resources, yet remain responsive to Congressional needs, OTA attempts whenever it can to answer requests for assistance in ways that are less expensive than formal assessments; also, we are sometimes able to combine related requests from different Committees into a single assessment. Consequently, OTA provides assistance to Congress in a variety of ways, each designed to be the least costly method responsive to the request. OTA also frankly discourages some inquiries (for example, when the question can be more appropriately answered by a different agency or when the issue seems to be so narrowly defined that the projected cost of an OTA response appears disproportionately high).

Many requests are referred to others, primarily to our sister Congressional agencies. In this regard, Mr. Chairman, we are gratified at the progress made during the past year toward enhancing coordination among OTA, GAO, CBO, and CRS and to further ensure that duplication of effort is avoided.

As we jointly wrote to you in February of this year, for the past several years our procedures for coordination have included:

- o the Research Notification System — sharing of computerized lists of all major ongoing and completed projects;
- o notification and coordination with each other before initiating major new studies;
- o periodic half-day meetings of senior analytic staff from the four agencies who work in the same subject area;
- o regular meetings of senior agency management officials to discuss policy issues of mutual concern to all four agencies; and
- o numerous, ongoing daily contacts by analytical staff and administrators to discuss work that, while discrete in nature from that of the other agencies, deals with the same general subject area.

In response to your Committee's directive, the four agencies identified during the past year the following additional steps to further strengthen our efforts to encourage coordination and prevent unnecessary duplication:

1. At the monthly senior agency management meetings, we will formally review all projects started since the last meeting to ensure that they are appropriate for the proposing agency to handle and ascertain whether work done by another agency might be useful to augment or minimize the effort.
2. Analysts assigned newly initiated, unusually large projects will discuss the work with appropriate analysts of each of the other agencies, subject to confidentiality constraints and client approval. These discussions should at the earliest stage of the project further help to eliminate any possibility of duplication and assure that the expertise and perspective of all the agencies can be tapped in the way that can most benefit Congress.
3. We will increase the number of periodic half-day meetings of senior analytical staff addressed to discrete topics of study and will

monitor agency specialists and analysts to make sure that our staffs are complying with these directives.

4. All four agencies will examine their project approval procedures to see where, and if, they might be strengthened.
5. We shall upgrade, as necessary, our reporting systems of the day-to-day substantial contacts and meetings of analytical staff and administrators.
6. We are planning to produce a new video training tape that will discuss the missions of the four agencies and emphasize to staff the importance of effective liaison and avoidance of duplication of another agency's work. The tape will be used within the agencies and also in acquainting Congressional staff with the different functions of the agencies.

Summary of Request

Over the past several years, OTA has raised its productivity, in terms of quality and quantity of output, while at the same time resources previously available to the agency have been curtailed. In addition to the Congressional appropriations, these resources include analysis and data from Executive Branch agencies, as well as free assistance from other sources inside and outside government. As a consequence, OTA is facing increased costs and lower purchasing power while simultaneously receiving many more requests for assistance.

Our request for FY '83 program supplemental (\$245,000) and pay supplemental (\$396,000) appropriations reflects this situation. Most Committee requests represent legitimate calls on OTA's special analytical capabilities, but we simply do not have the resources to be able to respond to them. We are receiving more requests for delivery of interim results during ongoing assessments and unanticipated requests for follow-on assistance and analysis after the delivery of a Report. This situation has been difficult to manage with level purchasing power; but with the decreased purchasing power of

FY '83, OTA will be forced to defer and substantially compromise its response to a number of high-priority requests. The FY '83 supplemental requests are intended to recover only a portion of those needed resources, but they would enable OTA to respond to some of these unexpected requirements and requests.

OTA's request for \$14.6 million in fiscal year 1984 would represent a return to the purchasing power that was appropriated to it in fiscal years 1981 and 1982. If that occurs, it is important to note that OTA will still have to defer and divert many more Committee requests for assistance than occurred in prior years because of increased activity. But the requested funding will give the agency a chance to initiate about 15 new assessments as well as draw from these a limited number of special analyses and follow-on work needed to respond to the legislative agenda.

Rationale for Level of Support

In order to fulfill the responsibilities placed upon it by the Constitution, Congress must be able to make independent judgments of the proposals and plans of the Executive. The need for a Congressional capability to do technical analyses and independently interpret the results has risen dramatically over the past few decades. We are now at a point where complex, sophisticated technology is so pervasive in our economic and national security affairs that the need for careful, bipartisan analysis is strongly felt by most Congressional Committees. OTA was created precisely to help meet that collective need. It would be very costly for Congress to support separate analytical staffs in every Committee concerned with the technological issues; OTA is intended to be the nonpartisan shared resource for those Committees.

How much budget support is enough for OTA's work? Congress' expenses account for about 0.2 percent of the federal budget. OTA, in turn, accounts for about 0.7 percent of Congressional costs. A typical OTA assessment costs anywhere from a fraction of one percent to less than 1/100 of one percent of the Federal costs associated with the topic being analyzed. We believe that is a prudent investment, especially in areas that are complex, costly, and controversial. OTA can leverage the effectiveness of its resources by heavily

utilizing data obtained from other agencies of government and the private sector.

Another way to examine the issue of "how much funding is enough" is to identify topics of the kind that OTA was created to analyze. Of course, such a list constantly changes as Congressional priorities shift and science and technology advance; nevertheless, it is instructive. OTA recently assembled a list of topics, beyond those now under study, for which analysis is presently lacking in terms of current Congressional need or OTA's forecast of emerging issues. The list was assembled to reflect numerous ongoing consultations with Members and Committee staffs as well as with technical peers throughout government and the private sector. A summary version of the list is attached (Attachment 4). A substantial number of the new starts OTA will be able to undertake for Committees in FY '84 may not be found on this list, since no listing encompasses all present and future concerns.

Never before in our nation's history has it been so important to provide decisionmakers with careful, dispassionate analyses of issues and options. Technology, actively developed and wisely used, enables our people to live fuller, healthier, and more productive lives. It promises many additional opportunities to fulfill human needs. But we also know that if we give this expression of human ingenuity less than the best of our attention, we can lose opportunities and fail to provide a future for our children and succeeding generations. OTA understands the enormous challenge given to it by Congress. We earnestly solicit the financial support required for us to carry out this work.

Attachment 1

COMMITTEES SERVED IN FY '82 AND '83 TO DATE BY ONE OR MORE WRITTEN DOCUMENTS*

COMMITTEES OF THE SENATE

Agriculture, Nutrition, and Forestry

Appropriations

Agriculture, Rural Development, and Related Agencies

* Reports, TM's, Testimony, Background Papers, Substantial Staff Memos

Alcoholism and Drug Abuse
 Defense
 HUD — Independent Agencies
 Legislative Branch
 Military Construction

Banking, Housing, and Urban Affairs

Budget

Commerce, Science, and Transportation
 Aviation
 Science, Technology, and Space

Energy and Natural Resources
 Energy Conservation and Supply
 Energy Research and Development
 Public Lands and Reserved Water

Environment and Public Works
 Environmental Pollution
 Nuclear Regulation
 Water Resources

Finance
 Energy and Agricultural Taxation
 Health

Foreign Relations
 International Economic Policy

Governmental Affairs
 Civil Service, Post Office, and General Services
 Energy, Nuclear Proliferation, and Government Processes

Joint Economic

Judiciary
 Criminal Law

Labor and Human Resources
 Employment and Productivity

Rules and Administration

Special Committee on Aging

Veterans' Affairs

COMMITTEES OF THE HOUSE

Agriculture
 Department Operations, Research, and Foreign Agriculture
 Forests, Family Farms, and Energy

Appropriations
 Legislative Branch
 Transportation and Related Agencies

Banking, Finance, and Urban Affairs
 Housing and Community Development

Budget

Education and Labor
 Labor Standards
 Select Education

Energy and Commerce
 Commerce, Transportation, and Tourism
 Energy Conservation and Power
 Fossil and Synthetic Fuels
 Health and the Environment
 Oversight and Investigations
 Telecommunications, Consumer Protection, and Finance

Foreign Affairs
 Human Rights and International Organizations

Government Operations
 Commerce, Consumer and Monetary Affairs
 Environment, Energy, and Natural Resources

Interior and Insular Affairs
 Energy and the Environment
 Insular Affairs

Joint Economic

Judiciary
 Civil and Constitutional Rights
 Courts, Civil Liberties, and the Administration of Justice

Merchant Marine and Fisheries
 Fisheries and Wildlife Conservation and the Environment
 Merchant Marine
 Oceanography

Post Office and Civil Service
 Postal Operations and Services
 Postal Personnel and Modernization

Public Works and Transportation
 Aviation

Rules

Science and Technology
 Energy Research and Production
 Investigations and Oversight
 Natural Resources, Agriculture Research, and Environment
 Science, Research, and Technology
 Space Science and Applications
 Transportation, Aviation, and Materials

Small Business

Select Committee on Aging

Ways and Means
 Trade

Task Force on Industrial Innovation and Productivity

Attachment 2

Current Assessment Activities brochure

Attachment 3

COUNTRIES REPRESENTED IN HIGH-LEVEL
VISITS TO OTA IN 1982

Australia
Belgium
Brazil
Canada
Denmark
England
Ethiopia
Finland
France
Federal Republic of Germany
India
Israel
Italy
Japan
Korea
Mexico
Netherlands
New Zealand
Peoples' Republic of China
Portugal
Republic of South Africa
Romania
Sri Lanka
Sweden
Taiwan
Thailand
Uruguay
U.S.S.R.

Attachment 4TECHNOLOGY-RELATED ISSUES OF POTENTIAL PROMINENCE IN THE MID 1980's

The topics presented in this document have been identified by OTA, in consultation with Congressional committees and OTA advisors, as technological topics that the 98th Congress will likely face. These topics are in addition to those currently being assessed by OTA. The topics have been organized into broad socio-technical areas. The list is certainly not complete and also does not necessarily contain the specific assessments that OTA will actually have the opportunity to undertake in fiscal year 1984. Since OTA starts more than ten new projects a year, it does not become necessary to choose between, for example, health and communication since the highest priority projects in several fields can be started at the same time.

Potential TopicsIndustry

- o The Influence of Technology on Industrial Structure
- o Technologies for Industrial Growth
- o Materials Technologies with the Potential for Big Economic Payoffs
- o The Effect of Technology on Requirements for the U.S. Work Force

Health

- o Alternative Settings for Medical Technology
- o Technologies for Controlling Cardiovascular Disease
- o Medical Technology for Diagnosis
- o Genetic Testing for Reproductive Effects from Hazardous Substances in the Workplace
- o Assessing the Health Effects of Accidental Releases from Toxic Waste Sites
- o Technologic and Previously Ineradicable Diseases
- o Human Gene Therapy
- o Alternatives to Animal Experimentation
- o The Implications of Artificial and Transplanted Organs
- o Neurologically Produced Substances that Influence the Functioning of the Human Brain
- o Diet and Well-Being

Communication and Information

- o Public Information Services
- o Technology for Law Enforcement and Criminal Justice
- o Education and the Workplace
- o Protection of Intellectual Property
- o Office Automation
- o Transborder Data Flow

International

- o Technology Transfer to Less Developed Countries
- o Energy Development in Less Developed Countries
- o Role of Multinational Corporations in Technology Transfer
- o Technology Transfer to the United States from Abroad

Space and Defense

- o Weapons in Space
- o Battlefield Nuclear Weapons (for NATO)

Infrastructure

- o Public Works Infrastructure Maintenance and Replacement
- o Urban Infrastructure
- o Goods Movement

Resources

- o Technology and the Structure of the Food and Agricultural System
- o Technologies To Sustain Biological Diversity
- o Managing Wildlife Resources: Technologies for Today and Tomorrow
- o Environmental and Natural Resources Data Base
- o The Use of the Ocean for Waste Disposal
- o Water and Agriculture: Solving Critical Problems
- o Technology in Drought Management
- o Prospects for Desalination
- o Fusion
- o The Future for Electric Energy
- o Energy Efficiency in Non-Automobile Engines and Vehicles
- o Arctic Offshore Petroleum Development

Summary of Potential TopicsIndustry

The Influence of Technology on the Industrial Structure. How have the changes of the past twenty years in structure and composition of basic U.S. industries affected innovation, productivity, the implementation of new technology, and international competitiveness? How can developments in process and manufacturing technology affect the future of traditional American heavy industries? Will new production technologies affect significant savings?

Technologies for Industrial Growth. Which high-technology industries are likely to grow rapidly over the next two decades and contribute to employment, a favorable balance of payments, and other aspects of a healthy economy? Can we develop policy options to remove barriers to the growth of such industries?

Materials Technologies with the Potential for Big Economic Payoffs. Which key materials technologies could create large economic payoffs across a range of applications? To what extent do industrial innovation, technical change, and increases in productivity depend on advances in these key technologies?

The Effect of Technology on Requirements for the U.S. Work Force. How will technological change alter the mix of education and skills required in the U.S. labor force? What kind of labor force do existing demographic trends and educational policies seem to be creating for the nineties? What gaps seem to be developing, and how might these gaps between expected needs and likely supply in the character of the labor force be closed?

Health

Alternative Settings for Medical Technology. Who will have access to the many medical technologies and services that are now being located in nontraditional settings? How can quality be assured, costs controlled? Will Federal regulatory and financing policies oriented to hospital provision of such services adjust to the trend?

Technologies for Controlling Cardiovascular Disease. What factors have and will contribute to the dramatic decline in the incidence of cardiovascular disease? Can federal policies accelerate the decline?

Medical Technology for Diagnosis. How much will it cost to research and develop, evaluate, and use new medical diagnostic technologies?

Genetic Testing for Reproductive Effects from Hazardous Substances in the Workplace. How well can we monitor the genetic changes in human reproductive cells that result from exposure to hazardous substances in the workplace? What are the ethical, legal, and social issues related to such monitoring?

Assessing the Health Effects of Accidental Releases from Toxic Waste Sites. How can we translate measurements of toxic substances to estimates of the hazards to human health posed by accidental releases from toxic waste sites? What are the problems, both technical and value-laden, of accepting an uncertain level of risk as appropriate for protecting human health?

Technology and Previously Ineradicable Diseases. What is the potential of recombinant DNA and hybridoma technology for the prevention and treatment of such diseases as malaria, schistosomiasis, and Chagas' disease? What are the barriers to the use of these technologies; market size; structure and international regulations on testing and use?

Human Gene Therapy. Human gene therapy -- the insertion of a gene from another source into the cells of an individual to replace a dysfunctional gene -- has reached what stage of development? What are the social, legal, and ethical considerations related to gene therapy?

Alternatives to Animal Experimentation. What are the legal and social issues raised by animal testing? Can we develop alternatives to the use of animals (70 million per year) in research and testing?

The Implications of Artificial and Transplanted Organs. Research and development of artificial organs raises what medical and technological questions? How do we address the related value, ethical, and legal issues; set research priorities; erect time frames for development?

Neurologically Produced Substances that Influence the Functioning of the Human Brain. How effective are neurohormones in influencing the perception of pain, learning, memory, attitude, aging, and similar functions? When such substances are available in quantity, what legal, ethical, regulatory, and other social issues are likely to arise?

Diet and Well-Being. What role does nutrition play in health and well being, and what is its effect on behavior? If diet-related findings are applied, what are the implications for health status, costs, and Federal policies?

Communication and Information

Public Information Services. What will be the roles of the information industry and Government as providers of information? What are the economic and social consequences of various allocations of the information service function between the public and private sectors? Are there conflicts between the need to provide equal access to information and the need to stimulate innovation and growth in the information industry?

Technology for Law Enforcement and Criminal Justice. The development and application of new law enforcement technology or extension of existing technology raises what fiscal, social, political, and legal issues? Are there related issues, impacts, and policy options that warrant Congressional consideration?

Education and the Workplace. How will the education and training system of the U.S. be affected by the growing use of information technology in the office, by government, and in the home? What will be the impacts on science and math education, vocational training, and basic skills; and how will public institutions such as schools and libraries be affected by these changes?

Protection of Intellectual Property. How can copyright and patent protection be provided to the creators of information products? What are alternative means to ensure continued innovation in industries that produce intellectual property?

Office Automation. What will be the impact of information processing and communication technologies on the character and distribution of office work; that is, on the office-working environment and office productivity? What will be their effect on the nature of the work to be performed; on the skill requirements of office workers; and on relationships between office workers at various organizational levels?

Transborder Data Flow. How will international data flow requirements of governments and multinational corporations affect the economic and social well-being of the U.S.?

International

Technology Transfer to Less Developed Countries. How do less developed countries obtain, assimilate, use, and diffuse technologies originally developed in the OECD countries, particularly in the United States? What are the costs and benefits of technology transfer to the supplier and the recipient?

Energy Development in Less Developed Countries. What are the energy needs of developing countries? How could energy independence in these countries affect U.S. strategic and economic interests?

The Role of Multinational Corporations in Technology Transfer. How do multinational corporations actually transfer technology? What are the costs and benefits? Are there possibilities for the future expansion of this activity? How will the health of U.S. industrial technology in general and U.S. international competitiveness be affected by such technology transfer? What are the options and limits that technology transfer by this means creates for national policies?

Technology Transfer to the United States from Abroad. How does technology flow to the United States from other countries? What processes and limitations affect the assimilation and further diffusion of such technology once it reaches this country? What risks and benefits do such transfers create for the United States? What policy options are open to Congress to maximize the benefits?

Space and Defense

Weapons in Space. What technologies might be used in the foreseeable future for weapons (1) located in space (orbit), with targets either in space or the ground, or (2) located on the ground or in the atmosphere, with targets in space? What are the military values, financial costs, and technical risks of representative future weapons systems? What is the time frame for significant technical milestones? What will be the impact of such weapons on U.S. interests and international stability. What impact would these technologies have on arms control?

Battlefield Nuclear Weapons (for NATO). What functions can battlefield nuclear weapons (i.e., nuclear weapons whose normal place of deployment is within 100 miles of a border of battlefield) perform in peacetime? In crisis? During limited war? During a major war? Which of

these functions might be performed as well or better by a combination of advanced conventional weapons (for example, Precision-Guided Munitions) and longer range nuclear weapons? Are existing deployment and planning optimal for the functions battlefield nuclear weapons perform best?

Infrastructure

Public Works Infrastructure. How can technology reduce the costs of repair, replacement, expansion, and redesign of the public works infrastructure? Will technological, industrial, demographic, and social change (e.g., patterns of living) alter demands on infrastructure systems, and necessitate different infrastructure designs?

Urban Infrastructure. This includes the transportation system, water, wastes, gas and electrical networks, and telecommunication systems. What technical and economic problems will be encountered in rebuilding America's urban infrastructure? Are there opportunities to create an infrastructure that is more efficient, less costly to build and maintain, and more responsive to overall societal needs?

Goods Movement. What ways exist to create a more efficient system to move goods in the United States? What are the capabilities of rail, highway, water, air and pipelines to move different kinds of goods over various distances? How would improved intermodal transfer affect the system? What are the regulatory, institutional, and policy issues?

Resources

Technology and the Structure of the Food and Agricultural System. What technologies offer the United States the greatest latitude in shaping the future structure of agriculture? Will agricultural technologies favor control of the food and agricultural system by a few large firms or by many individuals and many small firms?

Technologies To Sustain Biological Diversity. What technologies could the United States use (both domestically and through international organizations) to foster the long-term maintenance of plant and animal genetic diversity? What are the economic, social, and ecological interests in such diversity? What are the problems and opportunities in: (1) using laboratory technologies to maintain biological diversity; and (2) of sustaining biological diversity through use of natural and protected areas?

Managing Wildlife Resources: Technologies for Today and Tomorrow. What is the status of domestic and world wildlife resources, and how do the Endangered Species Act and other related legislative interests affect them? What is the value of wildlife management (aesthetic, scientific, cultural, educational, recreational, and economic)? What are the likely impacts of continued pressures on wildlife resources? What is the potential for sustainable approaches to wildlife management?

Environmental and Natural Resources Data Base. How good are existing environmental and natural resources data bases? Can they be improved? Can they be maintained? What alternatives exist for disseminating environmental and natural resources data to the Congressional support agencies that are engaged in policy analysis?

The Use of the Ocean for Waste Disposal. How will various waste disposal scenarios for wastes such as toxic chemicals, decommissioned nuclear submarines, sledge, and high-level nuclear wastes affect the ocean environment?

Water and Agriculture: Solving Critical Problems. How great is the potential for new technologies -- water supply forecasting, "new crops" development and marketing, wastewater irrigation, salinity control, and agriculture on small islands -- for solving some present and future U.S. agricultural problems, particularly in arid and semiarid lands?

Technology in Drought Management. What predictive methods and technologies can be used to limit or avert drought conditions? Are existing technological, institutional, and regulatory mechanisms adequate for handling drought?

Prospects for Desalination. What will be the effects of desalination technology, particularly recent developments in reverse osmosis technology, on cost, energy consumption, and quality of product water?

Fusion. Since various technical options for controlling thermonuclear reactions exist, what possible directions could fusion development take? What are the priorities for fusion research in the context of stable or declining budgets?

The Future for Electric Energy. How will the various technical options for producing and using electricity over the next several decades affect the Nation's electric utilities?

Energy Efficiency in Non-Automobile Engines and Vehicles. What is the technical potential for increasing the efficiency of engines used in the heavy trucks, trains, airplanes, ships, and pipelines that may, by the end of the century, consume more than 50 percent of all the oil used domestically? Are there practical alternatives to petroleum fuel for such vehicles?

Arctic Offshore Petroleum Development. Offshore drilling operations in the hostile Arctic environment, where operations are anticipated to grow substantially in the near future, will require the use of costly and complex technology. What are the potential social, environmental, and economic effects of developing these technologies?

STATEMENT OF SENATOR STEVENS, VICE CHAIRMAN, CONGRESSIONAL BOARD

OTA is now a decade old. In February, 1982, the Senate Committee on Rules and Administration held oversight hearings on the progress of OTA, during which witnesses from both public and private sectors testified to the quality and utility of OTA's products. The hearings demonstrated that in the last several years OTA has developed a respected track record of competence.

In these days of continued pressure on the Nation's finances, legislators must have access to unbiased, timely, and understandable information on which to base decisions about expensive technological activities. For example, OTA's study on the Management of High-Level Nuclear Waste contributed a timely piece of useful material to Congress during the debate on that highly controversial issue during the last Congress. The agency is currently

studying other topical issues for Congress, such as wetlands, natural gas availability, U.S. world competitiveness in space, electronics, biotechnology, and automation in the workplace.

OTA is designed to act as a shared resource to provide both Houses of Congress with unbiased information on technological issues facing Congress. During 1982, OTA's resources were used by 89 different Congressional Committees and Subcommittees, demonstrating the usefulness of the agency's work to a variety of Committees.

In addition to its assessments, technical memoranda, and assessment case studies delivered to the Congress in FY 1982, OTA also testified and provided additional analyses and briefings based on ongoing studies. During the past fiscal year, OTA estimates it responded to almost 150 requests of this nature.

This has stretched OTA's resources and lessened its ability to respond to other Congressional demands. This particularly affects OTA's ability to respond to the Committees' immediate legislative agendas while simultaneously carrying out long-term studies.

The impact of these activities cannot always be anticipated when the project budgets are made up. That is one reason why, in the current year, the Technology Assessment Board is asking for an FY '83 program supplemental to give partial relief from some of the costs resulting from the number of unanticipated requests.

The FY '84 budget request includes funds to meet the type of Congressional requests described above. The Board sees these activities as one of the most important parts of OTA's service to the Committees.

The budget request reflects the goal of the Board that OTA should be able to initiate at least fifteen new assessments a year in order to be responsive to Committee demand for assessments dealing with the Nation's most critical technological issues. In light of the demands for OTA's services, I request that your Committee give favorable consideration to the Board's budget request for the FY '83 supplemental and FY '84 requests.

STATEMENT OF CONGRESSMAN UDALL, CHAIRMAN, CONGRESSIONAL BOARD

Mr. Chairman, it is a pleasure to appear before your Committee today in support of OTA's appropriations requests. As you know, the Chairmanship shifts between the Senate and the House every two years. For the last two years, my distinguished colleague from the Senate, Senator Stevens, has been Chairman and has done a most notable job — we called this period the Stevens/Udall administration. Now the Chairmanship has shifted to the House and we change chairs to become the Udall/Stevens administration.

I am particularly honored to be Chairman as OTA begins its second decade. We who serve on the Board (on both sides of the Capitol and both sides of the aisle) are proud to be associated with OTA — its non-partisan, professional staff, its unique methods of drawing on the national wisdom and its high-quality, objective analyses.

OTA's FY '84 appropriations request of \$14.6 million is but a small investment in our quest to cope with the exploding technological growth taking place in the world today, the course of which is profoundly shaping our economy and social structure. In the early days, OTA's work focused mostly on issues which were largely contained within our 50 states. Today, almost every technology-related issue must be viewed in international terms. We in the United States can no longer assume that our actions will have a controlling effect on the international marketplace. We may wish to think that our wise and prudent decisions will influence the nations of the world to follow our lead; however, we find there is no single lead in a technological world, only a very complex interaction of many technical, social, and economic forces tied to a high-technology, information economy.

Fortunately, the Office of Technology Assessment has a record of accomplishments which places it in a unique position to help the Congress develop broad-reaching policy options. This assistance may enable us to understand the new, and increasingly complex, forces which are being unleashed by our rapid advances in technology. Let me give you some examples:

The quality and quantity of our water, always a concern to the southwestern United States, is clearly a world-wide problem impacted -- for good and ill -- by our use of technology. OTA's recent studies of water problems of arid and semi-arid lands, the productivity of our farm lands, and a new assessment of the contamination of groundwater reflect the impact our high-quality work can have on a better understanding of these problems.

A major accomplishment of the 97th Congress was passage of comprehensive radioactive waste management legislation. OTA's assessment of high-level radioactive waste management and disposal identified a number of policy options (such as funding the waste management program through utility fees) which were helpful to the relevant Committees in drafting this legislation. OTA's work in this area will be useful to those responsible for the implementation of this new law.

The explosive developments in new computer and communication technologies have created an "information revolution" profoundly affecting American education and training. OTA's recent report, Informational Technology and Its Impact on American Education, describes the new demands for instructional services and identifies new opportunities for the improvement and delivery of these services.

Finally, our ability to compete in future high-technology markets such as micro-electronics, automation, and the new area of biological technologies will be enhanced by the work currently under way at OTA on these critical issues.

Those of us who patiently shoved and coddled OTA through its early growing pains have been proud as it has grown to maturity and begun to pay healthy dividends for its Congressional parent. And, like any parent with a talented child, we have been making greater demands of it every year. Those increased demands are reflected in the increased volume of testimony, briefings, and informal memoranda provided during the past year -- well beyond the submittal of formal assessments, technical memoranda, and case studies -- all of which are detailed in the Office's Justification of Estimates submitted to your Subcommittee.

This increased service to the Congress has been met with a declining level of funding in real terms over the past two years. Mr. Chairman, I ask you and your Subcommittee to give favorable consideration of OTA's FY '83 supplemental and FY '84 budget requests. At a minimum, this would permit our talented child of the Congress to perform at a level we are currently demanding of it. As in the past, I am confident we will continue to receive in return a quality of satisfaction far in excess of our investment.

SUBMITTED QUESTIONS

Senator D'AMATO. We have some more questions for the record which I will submit.

Mr. GIBBONS. Thank you.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

Acid Rain StudyQuestion:

OTA is currently conducting a study of acid rain. Am I correct that the preliminary conclusion of this study is that the removal of 8 to 10 million tons of pollutants now causing acid rain will not protect all areas of New York State?

Response:

There are significant uncertainties in our base of knowledge, but our best technical judgment is that eliminating 8 to 10 million tons of sulfur dioxide emissions in the eastern 31 states (similar to several bills proposed during the 97th and 98th Congress) probably will not be adequate to protect all areas of New York State from aquatic resource damage.

We arrive at this conclusion by drawing on the results from two sets of analyses. One of these provides computer model-based estimates of reductions in sulfur deposition that might result from reductions of 8 to 10 million tons per year in sulfur dioxide emissions, or about 35% to 45% below current emissions in the eastern 31 states; the other indicates the reductions in sulfur deposited in rainfall thought adequate to protect all but the most sensitive lakes and streams. (These "target" deposition levels have been proposed in reports prepared by the National Academy of Sciences, a study group in support of the Memorandum of Intent on Transboundary Air Pollution between the U.S. and Canada, and other groups.)

Question:

What areas in other states would not be protected by such a decrease?

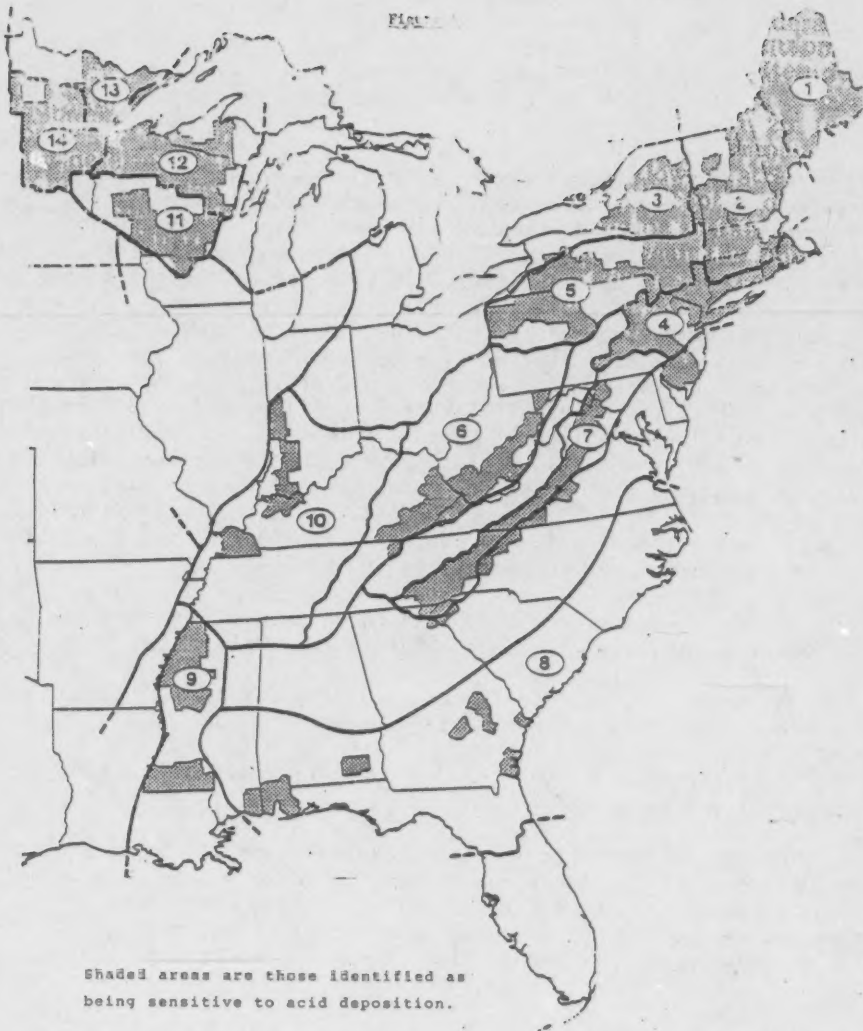
Response:

Figure 1 (attached) displays areas of the eastern U.S. thought to contain lakes and streams sensitive to acid deposition, based on soil and geologic characteristics. These are shown on the map as gray areas and are divided into 14 fairly uniform regions.

Based on available water quality data, we estimate that two of these regions have the highest percentage of lakes and streams considered extremely sensitive to acid deposition:

- o Region 3 -- Adirondacks
- o Region 5 -- western New York, western Pennsylvania

We estimate that a significant fraction of aquatic resources in five additional regions are also extremely sensitive to acid deposition, though the fraction of extremely sensitive aquatic resources in these regions is probably not as great as the two regions listed above:



- o Region 1 -- eastern Maine
- o Region 2 -- western New England
- o Region 4 -- eastern Pennsylvania, southern New England
- o Region 6 -- Appalachian Plateau
- o Region 7 -- Blue Ridge, Great Smoky Mountains

As discussed in our answer to question 1, several groups have estimated the maximum deposition values that would allow all but the most sensitive lakes and streams to be protected. The estimates range from eliminating about 50% to 80% of deposition in those areas currently receiving highest levels, to eliminating about 20% to 50% of deposition over large regions of eastern North America. By comparison, OTA's model-based estimates of the effects of eliminating 8 to 10 million tons of sulfur dioxide per year indicate that, under an optimistic scenario, both wet and dry deposition would be reduced by 45% to 60% in the areas of highest deposition, and by 30% to 50% annually over large regions of North America. A more pessimistic scenario, based on conditions that prevail during extreme pollution episodes, projects that emissions reductions of 8 to 10 million tons would reduce dry deposition by about 35% to 45%, wet deposition in areas of heaviest deposition by about 25% to 30%, and wet deposition over much of eastern North America by 20% to 30%.

Thus, depending on the deposition value used, we estimate that the maximum target levels might be exceeded in:

- o Regions 1, 3, 5 and portions of regions 6 and 7 (using one proposed target of 20 kg sulfate per hectare).
- o Regions 2, 3, 4, 5, 6, 7 and possibly parts of region 1 and 10 (using a target of pH 4.6).

Emissions reductions of this magnitude are likely to protect many of the sensitive lakes and streams in these regions. However, our calculations indicate that deposition levels after such emissions reductions are achieved might still endanger higher elevation lakes and streams on thin, steep, or rocky soils.

Question:

What additional cost at the emissions site would be required to give absolute protection to all of the country, including the most sensitive aquatic resources?

Response:

Since it is not yet possible to estimate even the level of pollutant emissions reductions required to give absolute protection for all resources in all regions, the costs of such protection cannot now be calculated. However, several of the analyses referred to in the above two answers indicate that the areas with the highest levels of acid deposition receive 3 to 4 times the deposition thought to threaten the most sensitive lakes and streams. Absolute protection for these resources by limiting emissions seems likely to be considerably more expensive than the cost of reducing pollutants

causing acid rain by 35% to 45% (corresponding to an 8 to 10 million ton/year reduction).

Questions:

Is it likely to be more cost effective to protect these most sensitive resources at the emissions site, or can the sites themselves be protected?

Response:

One potential strategy for restoring fisheries to lakes that are presently too acid to support them is to add lime or other chemicals that neutralize acidity. Liming of selected, particularly valuable lakes in areas receiving the highest levels of acid deposition is a useful mitigative strategy and may be an appropriate adjunct to an emissions control program. However, since many lakes and streams cannot be effectively limed -- and we lack methods to mitigate potential effects on such resources as forests, crops, and certain materials -- protecting many sensitive resources at the "site of deposition" is not possible at present.

Question:

I understand New York is now placing lime directly in lakes to bring the pH back to the normal range. Is this effective? What other methods are there under development to protect individual sites, such as lakes? Would it be feasible to conduct a pilot project to develop methods to protect lakes affected by acid rain?

Response:

As mentioned above, lake liming can be effective for restoring fisheries in carefully selected lakes. However, while the acidity is restored to normal levels, the chemical and biological characteristics of the lake may still differ from the pre-acid altered condition. It may not be desirable -- nor feasible -- to lime all acid-sensitive aquatic resources within a region. Certain problems associated with liming require careful consideration:

- o The long-term ecological effects of liming are not well known at this time.

- o Lakes that flush water rapidly, and streams with great variations in flow, are very difficult if not impossible to lime effectively.

- o Limed bodies of water must be periodically monitored and relimed. When water pH falls below 6.0, accumulated metals such as aluminum that have been rendered insoluble over a period of time may again become soluble and create a serious toxic condition.

Several other neutralizing chemicals, for example, soda ash, are being tested for their ability to help restore fisheries to acidified lakes. Nutrient amendment and fish restocking experiments are also underway in an attempt to restore lakes to as close as

possible to their normal state. Several scientists are attempting to develop acid-resistant strains of brook trout. Research and pilot liming programs are underway in several states and the U.S. Fish and Wildlife Service. However, funding for these programs is modest.

A federal pilot project to improve these methods would certainly be feasible. Current federal funding for such research is about \$150,000 per year; several million dollars per year might be constructively spent in a federal-state cooperative program. Obvious choices for agencies would be the U.S. Fish and Wildlife Service and the state counterparts, combining the expertise of the federal government with the site-specific knowledge (and understanding of local preferences) of the state agencies. Funds to establish cooperative agreements would be consistent with federal policy as stated in the Fish and Wildlife Coordination Act of 1956 and the Department of the Interior Fish and Wildlife Policy on State-Federal Relationships (43 CFR Part 24, Federal Register, March 18, 1983).

Chemical Waste Study

Question:

As a follow-on to the OTA study on chemical waste, you are currently conducting a study of chemical waste problems at the Love Canal site. What preliminary findings have been reached?

Response:

We have not yet presented any findings to the requestor; we expect to have a draft report ready by the end of May.

At this time, we are completing our analysis of the 1980 EPA monitoring study of the emergency declaration area (EDA), the habitability decision based on the EPA study, the plans and actions of the State of New York for clean-up of the Love Canal area, and several commentaries on the EPA monitoring study and habitability decision. We have visited Love Canal to talk with officials of the Love Canal Revitalization Agency and the New York State Department of Environmental Conservation. We have scheduled meetings in Washington with EPA officials and in Albany with New York State officials. We have analyzed the EPA monitoring study results for dioxin and for a list of indicator chemicals to try to ascertain if the data can support a conclusion (a) as to the relative levels of contamination in the control areas and the EDA, and (b) as to whether EDA contamination resulted from leachate migration from the Canal. Our analysis on these two points will include some statistical tests by contractors at the Boston School of Public Health. We have not been granted access to monitoring data taken in the EDA subsequent to 1980 by the State of New York.

Our review of the remedial plans and actions for Love Canal will be completed shortly after our visit to Albany on May 19. We are concerned about the narrow range of remedial actions evaluated, none of which seem to have included even a feasibility study for the eventual destruction (as opposed to continued containment) of the toxic wastes in the Canal. We are evaluating, for health effects, the significance of the detection limits actually attained with confidence in the monitoring study.

CONGRESSIONAL BUDGET OFFICE

STATEMENT OF ALICE M. RIVLIN, DIRECTOR

OPENING REMARKS

Senator D'AMATO. We have Dr. Rivlin here, Director of the Congressional Budget Office.

I had the opportunity of sharing some thoughts with you the other day.

Ms. RIVLIN. Yes.

Senator D'AMATO. We will insert all of Dr. Rivlin's testimony into the record and we will ask if you would please share with us those points of interest that you think are most important.

CBO RESPONSIBILITIES

Ms. RIVLIN. Thank you.

Let me be very brief. The CBO, as you know, is an organization that was established about 8 years ago to help the Congress make better budget decisions. We are nonpartisan. We work for both Houses and all committees of Congress, not just the budget committees.

Our most important functions have to deal with budget estimates, budget numbers, budget analysis. We prepare economic forecasts, we do cost estimates of all bills reported out of committee, and we do projections of the budget off various bases. We do the scorekeeping for the Congress to see where you are with respect to your goals for the budget as the process moves through the legislative year. We do estimates of the outlay effects of appropriations bills and revenue effects of tax changes. And at the request of the committees, we do program analysis of major budget options.

This has been a very heavy budget year, as no one needs to remind you. Last year and the year before were as well, and it is not going to get any better in the future. There will be a heavy load on the budget people, including our staff. But I think we have performed as well as could be expected under difficult circumstances, and I am proud of the staff and its output.

BUDGET REQUEST

Very briefly, on our budget, we are requesting for fiscal 1984 \$16.8 million. That is up from \$15.3 million for fiscal 1983—that is our operating level, including the supplemental. So our request represents an increase of about \$1.5 million, or just under 10 percent.

Of that increase, the big item is the increase in our computer costs—\$892,000, or 60 percent of our total increase, is for computers. That is

the big thing that is happening to us right now. Our computer system is more expensive than it was. That increase in computer cost reflects price increases from both our commercial suppliers—we buy computer services in the commercial world—and our Government suppliers, principally the House Information Services. Because of the price increases, especially from the commercial suppliers, we have moved more of our work into the Government suppliers. The increased costs also reflect our efforts to modernize and update our systems. This will make them more effective in the long run, but will cost us something at the moment. Finally, the increase reflects the additional workload that the Congress is putting on us—with the budget crunch we are being asked to provide more computer services.

Other than that, there isn't a lot to say about our budget.

One other area of increase is systems and model development—a \$268,000 increase. That is really updating our capacity to make estimates using new data sources; for example, updating the models that we have to make estimates in the tax area because of changes in the tax code, and updating models in other areas like human resources to take advantage of new data about the distribution of income.

Personnel costs, which constitute over half our budget, are increasing very little, basically.

Senator D'AMATO. Is that because you burn your people out and they don't stay? [Laughter.]

STATE AND LOCAL GOVERNMENT COST ESTIMATES

Ms. RIVLIN. No. It is because we are not asking for any increase in the number of people. We have 222 authorized positions; that is up 4 from the year before. The Congress gave us four new positions to cope with a new responsibility for preparing estimates of State and local government costs of Federal legislation.

Senator D'AMATO. When did that come into being?

Ms. RIVLIN. The law was passed in late 1981 but the responsibility was effective at the beginning of this fiscal year; namely last October.

Senator D'AMATO. And you are doing that at the present time?

Ms. RIVLIN. We are doing that at the present time. We have done several major cost estimates. Every piece of legislation has to be looked at to see if it has impact on State and local government. Some of the impacts are quite large. We did one estimate on the immigration bill, which clearly has State and local impact, especially on New York and Florida.

Senator D'AMATO. Can you touch on that?

Ms. RIVLIN. I don't have the numbers in front of me, but—

Senator D'AMATO. Your impact statement related to passage of that legislation and what the impact then would be—

Ms. RIVLIN. Yes, what will it cost State and local governments to cope with this new Federal legislation, what will be the direct cost to States and local governments in carrying out that legislation.

Senator D'AMATO. That has got to be an incredible workload.

Are you able to keep fairly current on that? Nearly every piece of legislation has a cost factor to State and local government, and you then give the estimate?

Ms. RIVLIN. The legislation says that we do this if the impact is substantial. Our first task is to determine whether or not the impact is substantial. The rule of thumb for that is whether the impact is \$200 million or more of estimated State and local costs, or whether the legislation has a particular regional impact, or something like that.

Senator D'AMATO. Supposing I were to seek an impact statement, an analysis, from CBO, you would have to first determine whether or not that impact would be substantial, using a threshold figure of approximately \$200 million.

Ms. RIVLIN. Right. Now, remember, this is in the context of our regular responsibility to provide Federal cost estimates for all legislation reported. That amounts to around 800 bills a year.

Senator D'AMATO. I hope you have a great computer system.

Ms. RIVLIN. We do.

Senator D'AMATO. Who is in charge of the computer?

Ms. RIVLIN. Bob Harris.

Mr. HARRIS. Thank you, Mr. Chairman.

INTRODUCTION OF ASSOCIATES

Ms. RIVLIN. I didn't introduce my colleagues at the table. Charlie Barden, who puts together our budget; Stan Greigg, our Director of Intergovernmental Relations; Jim Blum, who runs our Budget Analysis Division; and Bob Harris.

Senator D'AMATO. Well, we passed some pretty important legislation that has some major effects, not only on the Federal budget but also local government. What kind of analysis, for example, are you undertaking with regard to the legislation that we just passed and are waiting for the President to sign into law.

Are you going to work on the social security bill?

Ms. RIVLIN. Yes. We have already done that. The moment that we get into the act is when the bill is reported and comes to the floor. We have to do a quick turnaround job. That is a problem because we have to analyze the State and local impact, as well as the Federal cost.

PAY CAP INCREASE

Senator D'AMATO. Let me ask you, how did CBO react to the increase in the pay cap. Was it beneficial?

Ms. RIVLIN. Yes, it was beneficial because we were suffering from the cap.

Senator D'AMATO. Were you able to keep your computer guy in?

Ms. RIVLIN. That is correct.

Senator D'AMATO. I bet you everybody in the world is after him.

Ms. RIVLIN. We have people who could make a lot more money on the outside. We had 36 people at the cap before it was raised. We still have 13 people at the ceiling. So raising the cap allowed us to thin out the crowding at the top.

Senator D'AMATO. Do you anticipate any additional statutory responsibilities that Congress will assign to CBO?

Ms. RIVLIN. There is always talk of additional responsibilities. The one on State and local estimates was discussed for a long time before it got enacted.

Senator D'AMATO. What is your feeling on that? Is it good?

Ms. RIVLIN. I think that particular one is good. We kept making the point that we thought the estimates would be valuable but that we would need more resources to do them. We did get some additional positions, though we didn't get as many as we asked for.

Senator D'AMATO. Do you need more positions?

Ms. RIVLIN. At the moment I don't think we do. We would have come in for additional positions if we thought we needed them. We seem to be able to do what we have to do with the number of people we have—by working very hard. We have a very hard working staff. But I don't know at the moment of any additional responsibility that seems to be a serious candidate for legislation.

ACCURACY OF CBO FORECASTS

Senator D'AMATO. What about the economists projecting revenues, spending, and deficits. Over the years is it always an economist who gets rapped on the knuckles. People have been known to find out what the economists have been saying and bet the other way. And probably more than not, they have been right.

What about CBO accuracy in projecting revenues and spending and what can anything be done to improve CBO performance in this area?

Ms. RIVLIN. It is sort of a two-stage process.

First, you have to have the forecast of what is going to happen in the economy. There, frankly, the record of economic forecasters—ours and others—is not very good. I don't think it will ever be very good. It is too hard to forecast something as complicated as the economy. The forecast depends on things beyond our control, like OPEC. So those forecasts will always be uncertain. We do the best we can with the use of all the data and models that are available to everybody.

What we are really in terms of our economic forecast is consensus forecasters. We will tell you at any given moment approximately what most of the commercial forecasting community is saying. We tend to be pretty much in the middle. That makes us normally a little bit more pessimistic than the administration. All administrations tend to be optimistic.

Senator D'AMATO. Except recently.

Ms. RIVLIN. Except this year. This year was an exception. For various reasons, the administration came in just a little bit under our forecast with respect to growth of the economy. They have now switched to a little bit higher, but it is a small change, not really an important difference from our forecast.

Once you have an economic forecast, which you know is uncertain, then you have the problem of estimating what will be the revenues and the expenditures given current policy and given that forecast. There, I

think, our record is very good. We work very hard on our methods for estimating the spending and the tax revenues. Although our estimates aren't always right, they have been really quite good, given the uncertainty of the economic forecast.

GROWTH AREAS OF THE FEDERAL BUDGET

Senator D'AMATO. You and I spoke about some of the revenue estimates and some of the projected deficits. You obviously feel very strongly that we must raise more revenue to close those deficits for the outyears, 1986, 1987, and 1988, and we must curtail expenditures. Both look pretty difficult.

Would you put in the record, basically, what you indicated constituted major expenditure growth? There are four areas that are going to drive this deficit.

Ms. RIVLIN. Yes, in terms of the increase in spending which is anticipated in the next 5 years through 1988, about 93 percent of the increase occurs in four areas: defense, social security, medicare, and interest. So efforts to slow down the growth of Federal spending really have to deal with those areas.

INTEREST COSTS

Senator D'AMATO. Of course, interest is tied directly to the amount of money the Federal Government has to borrow.

Ms. RIVLIN. That is right. The reason the interest costs are rising is not because interest rates are expected to rise—in fact, we expect them to come down some—but because the debt is definitely rising.

Senator D'AMATO. What percentage are we paying now over all for interest? What percentage does that constitute of the total budget? What will we pay for fiscal 1983?

Ms. RIVLIN. It is in the range of \$100 billion.

Mr. BLUM. The net interest cost for 1983 is approximately \$90 billion, or about 11 or 12 percent of total Federal outlays of about \$800 billion.

Senator D'AMATO. How would you distinguish net from what the total interest costs are?

Mr. BLUM. The current estimate for gross interest on the public debt would be something in the order of \$127 billion.

Senator D'AMATO. For fiscal 1983?

Mr. BLUM. The current fiscal year. That includes interest payments that are made to the various trust funds of Government, social security, the highway trust fund, and so forth; to the extent that these trust funds have balances, they must, by law, be invested in Government securities. It also includes borrowing that is made by the Federal Financing Bank; this is an off-budget agency, but its outlays, nonetheless, do add to the total borrowing requirements of the Federal Government.

In any event, interest paid to trust funds is something on the order of \$16 billion and that should be netted out, subtracted out of the calculations so that you get a true net interest cost, if you will, to the public.

Ms. RIVLIN. You don't count what the Government pays itself.

Mr. BLUM. Then you have interest receipts that are coming in from off-budget agencies and other sources—

Senator D'AMATO. And you use that to offset?

Mr. BLUM. That is offset in terms of getting what are the net interest costs.

Senator D'AMATO. If I am paying \$16 billion to trust funds and I have a gross of \$127 billion, then I have adjusted gross of \$111 billion.

Mr. BLUM. Then we have the other interest receipts.

Senator D'AMATO. I wouldn't count that. You are not going to save because we have income coming in from another source.

I know that is how you get down to \$90 billion. But it is really \$111 billion.

Ms. RIVLIN. As to what we are paying out, sure.

Senator D'AMATO. For bookkeeping purposes or for budgetary purposes, we utilize the techniques of offsetting interest expenses with interest income, and I understand that, but I want to know what is the cost of our borrowings. What I am earning as a result of our investment is a separate thing. So it is \$111 billion.

Ms. RIVLIN. We have frequently said that the budget ought to be presented in a form so we can see the gross outlays in one place and count what comes in as a receipt rather than an offset.

Senator D'AMATO. I want to thank you very much for coming in and say that I am delighted with your work.

I would be most interested in continuing to work with you and with your dedicated staff.

Ms. RIVLIN. Thank you.

If there is anything we can do for you in this capacity, or any other, let us know.

[The statement follows:]

STATEMENT OF ALICE M. RIVLIN

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 1984 budget request for the Congressional Budget Office (CBO). CBO serves the Congress as a nonpartisan analytical support agency. Its mandate is to provide the Congress with budget-related information and with analysis of fiscal, budgetary, and programmatic policies—both those already in place and potential alternatives. The office makes no recommendations of policy; its principal tasks are to present the Congress with options for consideration and to study the possible budgetary and economic ramifications of those options.

BUDGET REQUEST

For fiscal year 1984, we are requesting \$16,751,000. This is an increase of \$1,478,000 over CBO's anticipated fiscal year 1983 operating level. The number of staff positions is the currently authorized level of 222. No additional staff positions are being requested. I want to emphasize that this is a current services budget.

The increment of \$1,478,000 is made up of the following items:

- o \$892,000 for cost increases, systems maintenance, and new work relating to CBO's automatic data processing (ADP) operations;
- o \$268,000 for cost increases, modifications, and enhancements relating to our systems, data, and model development work;
- o \$213,000 for personnel costs, primarily for pay adjustments and related benefits; and

- o \$105,000 for cost increases relating to other administrative support services.

I will discuss these areas in more detail later in this statement. First, however, I should like to review briefly for the Committee the principal services CBO provided to the Congress in the past fiscal year.

CURRENT CBO SERVICES TO THE CONGRESS

The Congressional Budget Act of 1974 as amended mandates that CBO carry out the following tasks: maintain current tabulations of Congressional revenue and spending actions (scorekeeping); prepare five-year cost estimates for authorizing bills; prepare outlay estimates for bills providing new budget authority; supply tax expenditure and revenue information; report annually projections of new budget authority, outlays, and revenues for the coming five fiscal years; estimate the costs to state and local government of carrying out or complying with federal legislation; prepare periodic forecasts of economic trends and alternative fiscal policies; and analyze issues that affect the federal budget.

The provision of this information involves many different forms of work products ranging from staff memoranda, computer tabulations, and formal letter responses from the Director to published reports.

As the demand for budget-related information has increased in recent years, the volume of CBO work products has grown markedly.

Scorekeeping

CBO provides the Congress with up-to-date tabulations of Congressional actions on revenue and spending bills. These tabulations are used, particularly by the Budget and Appropriations Committees, to measure the status of Congressional budget actions against the targets or limits specified in the concurrent resolutions on the budget.

The bulk of CBO scorekeeping activities involve spending actions. The spending side of the federal budget is complex, consisting of more than 1,000 separate accounts. Furthermore, the Congress acts each year on a large number of individual legislative bills that affect spending, including 13 appropriation bills. CBO's scorekeeping system keeps track of Congressional action on all these bills from the time they are reported from committee to when they are enacted into law. As a result, the CBO scorekeeping data base for budget authority and outlays is very large and keeping it current is a major effort.

CBO scorekeeping estimates are derived from its analysis of the President's budget, baseline budget projections, and bill cost estimates, as well as from the economic assumptions used for the concurrent budget resolution. CBO reviews its scorekeeping estimates on a comprehensive basis at least twice a year to incorporate new information provided by the Office of Management and Budget (OMB) and other federal agencies, revised economic assumptions that may be adopted by the Budget Committees, and other relevant data. Any reestimates resulting from these reviews are reviewed by the staffs of the Budget and Appropriations Committees before they are adopted as official scorekeeping estimates.

Specially designed computer scorekeeping reports are provided weekly to the Budget and Appropriations Committees. Frequent letters are also sent by the CBO Director to the Chairmen of the two Budget Committees to advise them on current budgetary levels. Advisory letters also have been sent upon request to the Chairman of the House Appropriations Committee on the budgetary impact of individual appropriation actions, such as a supplemental appropriation bill or a continuing resolution.

The CBO automated scorekeeping data base is used to provide special computer reports to the Appropriations Committees for use in preparing their March 15 reports and in dividing budget resolution allocations among subcommittees. The data base is also used by the Budget Committees in formulating budget resolutions, particularly a second resolution.

CBO also prepares a weekly automated report on the legislative status of selected entitlement and other bills that would directly affect budgetary requirements. Similar reports provide information on the legislative status of bills affecting credit activities, bills providing required authorizations for requested appropriations, and proposed revisions of the Budget Act. Copies of these reports are provided to the staffs of the Appropriations and Budget Committees of both Houses. These automated reports originate from a request by the House Appropriations Committee.

In addition, CBO has developed a scorekeeping capability for tracking Congressional action on the federal credit budget. This separate, automated data system is used primarily by the two Budget Committees.

Analyses of the President's Budget

CBO carefully reviews the budget estimates submitted to the Congress periodically by the Administration. The purpose of these reviews is to evaluate the accuracy of the Administration's budget estimates and, where necessary and appropriate, to reestimate the Administration's budget estimates using different economic assumptions and CBO's estimating techniques and methods.

The economic assumptions used by the Budget Committees to formulate the annual budget resolutions typically are different from the assumptions used by the Administration in preparing the President's budget. A different set of economic assumptions may significantly alter the budgetary impact of the President's proposals. Both Budget Committees periodically ask CBO to reestimate the President's budget using different economic assumptions.

Over the past several years, CBO has developed an independent capability for estimating the impact on budget outlays of various budget proposals. To keep these techniques and methods as accurate as possible, CBO staff carefully monitor actual spending trends as reported monthly by the Treasury, and various program data series that show trends in the utilization of federal benefits and services, the growth in beneficiary populations, and other factors affecting federal spending. CBO uses these independent methods to reestimate the effect of the President's budget proposals. In recent years, these so-called "technical reestimates" have been significant.

In addition to reviewing carefully the Administration's budget estimates, CBO prepares each year an overview analysis of the President's budgetary proposals. In 1982, this published report was requested by the Senate Committee on Appropriations to assist Members and staff in preparing for overview hearings on the Administration's annual budget. The report discusses the economic outlook for the next several years and the possible economic impact of the President's proposals, examines the major features of the President's revenue and spending proposals, and presents CBO's preliminary reestimates of the budget impact of these proposals based on alternative economic assumptions and on CBO's estimating techniques and methods. Since 1980, at the request of the two Budget Committees CBO has also prepared a separate report providing an overview analysis of the President's proposed budget for federal credit activities.

Baseline Budget Projections

Each year, CBO prepares a new set of baseline budget projections. The projections take as their starting point the budgetary decisions made by the Congress through its most recently completed session and show what would happen to the budget if no new policy decisions were made during the next five fiscal years. These projections do not represent a forecast of future budgets, because the Congress undoubtedly will make numerous new policy decisions in response to changing national needs and economic circumstances. They do provide, however, a useful baseline or benchmark against which proposed changes in taxes or spending policies may be measured and assessed. A longer-term framework is helpful in making annual budget choices because these decisions frequently have little impact on the budget in the short run but can significantly influence relative budget priorities over a period of several years. Because the annual budget

resolutions now include a credit budget component, the Budget Committees have asked CBO to develop baseline projections in 1983 for federal credit activities.

CBO's budget projections capability has enabled the Congress to move more and more in the direction of multiyear budgeting. For example, the Senate Budget Committee for several years has used the CBO baseline budget projections as a starting point for formulating its recommendations for the first budget resolution. The CBO baseline spending projections are distributed to the Senate Appropriations Committee and the authorizing committees as background information for preparing their March 15 reports to the Budget Committee. The Senate Budget Committee then uses the CBO baseline projections in its budget resolution markup materials to assess how spending and revenues should be altered in the future to meet fiscal policy goals and national needs. The House Budget Committee also uses the CBO budget projections to provide background information to House committees for the preparation of March 15 reports and to show the outyear effects of Budget Committee recommendations for the first budget resolution. In 1982, the House Budget Committee used the baseline projections as a basis for formulating the first budget resolution for fiscal year 1983. Both Budget Committees are now including three-year targets in their recommended budget resolutions.

The CBO budget projections took on added importance in 1981 and 1982 because they served as the baseline for computing the spending reductions to be achieved in the budget reconciliation process. In 1982, CBO was asked to modify its budget projections to conform with economic and other assumptions agreed to by representatives of the Congress and Administration, these new projections served as the so-called "bipartisan

baseline" used for negotiations between the Congress and the Administration. These negotiations led to the adoption of the first budget resolution for fiscal year 1983. These bipartisan baseline estimates were also used as the benchmark for computing the \$7 billion of spending reductions for fiscal year 1983 to be achieved by the Congress in 1982.

CBO has made similar use of baseline budget projections in its bill cost estimates for calculating the costs or savings that would result from legislative proposals to change existing law. This is particularly important for calculating the budgetary effects of changes in various entitlement programs.

The growing use of budget projections requires CBO to maintain a large multiyear data base on a year-round basis. CBO now provides the Budget Committees of both Houses with numerous sets of five-year projections of revenues and spending throughout the year, usually in the form of computer tabulations. In addition, CBO publishes annually a five-year budget projections report, usually at the beginning of each session of Congress. In recent years, CBO has also published a separate report presenting five-year projections of tax expenditures.

Bill Cost Estimates

CBO prepares cost estimates for virtually every public bill reported by legislative committees in the House or Senate that would have a budget impact. CBO also prepares numerous cost estimates at committee request for use in earlier stages of the legislative process. CBO's bill cost estimates have become an integral part of the legislative process. Committees are referring to them increasingly at every stage of bill drafting, and they are having an impact on the final outcome of legislation.

The number of such bill cost estimates prepared each year varies, depending on the amount of legislation being considered and reported by legislative committees. During the first ten months of 1982, the number of individual bill cost estimates was about 686, as shown in Table 1. A large part of CBO's bill costing activity in 1982 was for the omnibus reconciliation bill. That bill involved nine House and eight Senate committees in 1982. Much of this costing work was performed for subcommittees and committees as they considered various alternatives for fulfilling the reconciliation instructions contained in the first budget resolution.

TABLE 1. BILL COST ESTIMATES (FORMAL AND INFORMAL)

Year	1977	1978	1979	1980	1981	1982
Total Estimates	749	995	830	861	553	686

A large amount of costing work was also performed at the request of the subcommittees and committees that participated in the subconferences that resulted in the final version of the Omnibus Budget Reconciliation Act of 1982 and the Tax Equity and Fiscal Responsibility Act of 1982. (The latter act included reconciliation savings in spending programs under the jurisdiction of the House Ways and Means Committee and the Senate Finance Committee.) This work on the conference agreement, coupled with the costing effort completed before passage of the individual House and Senate bills, required intense contact and cooperation with staff members of the various subcommittees and committee staff because of the relatively tight reconciliation time schedule. Ultimately, these efforts were equivalent to several hundred individual bill cost estimates. Because CBO's bill

cost estimate tracking system has treated work on the omnibus reconciliation bills as if they were a few large bills, this workload is not reflected fully in the figures shown in Table 1 for 1981 and 1982.

In addition to cost estimates for bills reported by legislative committees, the CBO also provides the Appropriations Committees with outlay estimates for all appropriation bills. These outlay estimates are prepared for each appropriation account and are transmitted to the staffs of the committees largely in the form of computer tabulations. In 1982, the CBO staff worked closely with staffs of both Appropriations Committees to develop the capability to prepare computer reports that display both budget authority and outlay data in the Comparative Statement of Budget Authority (CSBA) formats used by the Appropriations Committees.

State and Local Government Cost Estimates

The State and Local Government Cost Estimate Act (Public Law 97-108) enacted in late 1981 expanded CBO's bill costing responsibilities by requiring estimates of the cost that would be incurred by state and local governments in carrying out or complying with legislation that is reported in the House or the Senate. These cost estimates are to be limited to bills that, in the judgment of CBO, are likely to result in an aggregate annual cost to state and local governments of at least \$200 million or to have exceptional fiscal consequences for a geographic region or particular level of government.

This new responsibility became effective on October 1, 1982. CBO's first estimate under this requirement was prepared in November 1982.

CBO has been planning for the state and local cost estimate responsibility since the passage of the act. The four additional positions authorized for fiscal year 1983 have been assigned to the Budget Analysis Division. A major activity has been the development of a network of officials of state and local governments, representatives of the associations of state and local governments, executive branch personnel, and intergovernmental research associations. This network is intended to provide our cost analysts ready access to information needed to prepare the cost estimates. In addition, guidelines for preparing state and local cost estimates and a standard format have been developed. CBO has also been studying alternative techniques for making estimates, and will continue to improve its state and local cost estimating capability during the law's first year of implementation. (For further background on CBO's implementation of this responsibility, see Tab K of this justification.)

Economic Forecasts

Each fiscal year, CBO provides the Congress with two economic forecast reports. They are issued to coincide with Congressional consideration of the concurrent resolutions on the budget.

CBO does not maintain its own macroeconomic model of the economy. Instead, we use the major commercially available econometric models (Data Resources, Inc., Wharton Associates, Chase Econometrics, Townsend-Greenspan, and Evans Economics). We also rely on the advice of a distinguished panel of advisers representing a wide spectrum of economic views. Appendix A to this statement lists the members of the current panel.

The reports issued in February and September of 1982 focused on recent economic developments, discussed fiscal and monetary policy, forecast short-term economic trends, and detailed the federal budget outlook under these economic assumptions.

Program Analysis

Over the years, CBO has responded to requests for analyses from almost every committee of both Houses of Congress. These reports have provided the Congress with crucial budget-related information needed to make informed decisions on complex questions.

In fiscal year 1982, CBO completed 77 such reports. This is an increase of approximately 20 percent over the number of reports completed in fiscal year 1981. The 77 reports were for 21 Congressional committees—9 of the House, 11 of the Senate and 1 joint Congressional committee. Appendix B to this statement shows the distribution of reports requested by House and Senate committees in fiscal year 1982. Although it is obviously not possible for me to review all of these studies here, I would like to mention some of our major work.

Various committees of the Congress made extensive use of analyses completed by the National Security and International Affairs Division (NSIA). The Defense Subcommittees of the Appropriations Committees in both the House and the Senate used CBO's analysis of the cost of the Army modernization program. CBO published this analysis, *Army Ground Combat Modernization for the 1980s: Potential Costs and Effects for NATO*, in November 1982. Interim results of the analysis were cited extensively in questions to the Department of Defense by the Chairman of the House

Defense Subcommittee and were noted by the Senate Defense Subcommittee in support of its defense bill for fiscal year 1983.

The Seapower and Strategic and Critical Materials Subcommittee of the House Armed Services Committee requested that CBO analyze the costs and effects of the Administration's shipbuilding plans and alternatives to them. The results were published in *Building a 600-Ship Navy: Costs, Timing, and Alternative Approaches*, March 1982. The analysis was noted in hearings published in support of the defense authorization bill.

NSIA also assisted the Senate Armed Services Committee in analyzing the effects of buying more C-5 aircraft, one of the most important debates on the fiscal year 1983 defense budget. This analysis was part of a broader study of the budget effects of the Rapid Deployment Force; the full study will be published in early 1983. The interim results were published in Part 2 of the hearings in support of the defense authorization bill.

The Congress has long been concerned that the budgetary treatment of Farmers Home Administration rural housing loan programs obscures their eventual costs to the government. In response to a request from the Senate Budget Committee, the Human Resources and Community Development Division (HRCDD) completed an analysis of the long-term costs of rural housing loan programs and identified options both for reducing program costs and for making those costs more apparent in federal budget documents. This work was used by the Senate Banking, Housing, and Urban Affairs Committee in developing a comprehensive rural housing program alternative. The final product of this work was a June 1982 report entitled *Rural Housing Programs: Long-Term Costs and Their Treatment in the Federal Budget*.

During its last session, the Congress enacted major changes in the way that Medicare reimburses hospitals, in order to reduce federal costs without directly affecting beneficiaries. HRCDC staff developed a simulation model using hospital-specific data to estimate the impact of possible changes on federal outlays and on hospitals of different types. Numerous proposals were analyzed for the staffs of the House Committee on Ways and Means and the Senate Committee on Finance, and then for the conference committee as they developed the final legislation. CBO Director Alice Rivlin testified on this subject in December 1981 before the Subcommittee on Health and the Environment of the House Committee on Energy and Commerce, and an HRCDC staff member testified before the Subcommittee on Health of the House Committee on Ways and Means in June 1982.

The Comprehensive Employment and Training Act (CETA) expired in 1982, raising the issue of how to design a replacement job training program and who should receive assistance. At the request of the Senate Budget Committee, HRCDC staff analyzed the impact of CETA training on the employment prospects and future earnings of adult trainees. That study, which indicated that training appeared to be most effective for persons without substantial employment histories, was useful to the Congress in designing targeting criteria for the Job Training Partnership Act of 1982. The final product of this work was a published July 1982 report, *CETA Training Programs—Do They Work for Adults?*

Even though revisions to the Clean Air Act did not take place in the 97th Congress, the analysis by the Natural Resources and Commerce Division (NRCD) of alternative New Source Performance Standards and their effects on the electric utility industry, on coal markets, and on sulfur

dioxide emissions was a key element in the deliberations of the Senate Committee on Environment and Public Works. As a result of the publication in this area, **The Clean Air Act, the Electric Utilities, and the Coal Market**, CBO has been requested to do several subsequent papers on the subject and also to testify.

CBO has done several analyses that have been of use to the Congress in shaping its infrastructure program. CBO has testified twice on user fees for infrastructure development, once for the Senate Environment and Public Works Committee and once for the House Public Works and Transportation Committee. In addition, the NRCB briefing to the staff of the Senate Budget Committee and the draft papers on public works infrastructure have been directly used by the Committee to prepare legislation. Together with the Human Resources Division, NRCB prepared testimony before the Senate Committee on Environment and Public Works concerning infrastructure investments and the effect on unemployment.

The Tax Analysis Division prepared a paper in March 1982 at the request of the House Ways and Means Committee describing the experience of states and localities with the new restrictions imposed on the use of tax-exempt bonds for single-family housing in 1980. This paper, **The Mortgage Subsidy Bond Tax Act of 1980: Experience Under the Permanent Rules**, was used to evaluate proposed changes to the 1980 act that were ultimately incorporated in Section 220 of the Tax Equity and Fiscal Responsibility Act of 1982.

The Tax Analysis Division also prepared extensive analyses of options to limit the use of tax-exempt industrial revenue bonds for the Senate Finance Committee. This was a follow-up to CBO's April 1981 report **Small**

Issue Industrial Revenue Bonds. The Senate Finance Committee used these analyses in preparing the limits on industrial revenue bonds that were included in Sections 214-219 of the Tax Equity and Fiscal Responsibility Act of 1982.

Other key issues addressed by CBO during fiscal year 1982 included the tax treatment of home ownership, federal credit activity, the Federal Financing Bank, the railroad retirement system, federal housing assistance, the Interstate Highway system, Social Security, and contracting out for federal services.

Based on our current committee requests, we expect to complete approximately the same number of reports in fiscal year 1983.

This justification includes a list of CBO reports (see Tab I). Part I of the list shows the projects in progress. Part II lists the studies completed in fiscal year 1982. The list gives the CBO division responsible for the report, its title, a summary of its content, the requesting Congressional committee or statutory authority, and, when applicable, the completion date.

THE FISCAL YEAR 1984 REQUEST

As I previously indicated, the increment over our 1983 operating level reflects our needs in four key areas: automatic data processing; systems, data, and model development; personnel; and other support services.

ADP

The funds in our ADP category represent the costs of computer operations performed either by CBO staff or by staff of the House Information Systems (HIS) as directed by CBO staff.

The fiscal year 1984 budget request for computer-related costs is \$5,510,000, an increase of 19.3 percent over fiscal year 1983. This increase of \$892,000 results from:

- o Price increases from our suppliers--accounting for \$245,000 of the increase.
- o Upgrading and maintenance of our systems--accounting for \$212,000 of the increase.
- o New work--accounting for \$435,000 of the increase.

Regarding price increases, our largest commercial supplier recently increased its prices by over 18 percent. To offset this impact, we are now transferring our costly applications from this supplier. Nevertheless, the increase from this supplier will still add over \$100,000 to our 1984 budget. In addition, we expect our other commercial suppliers to increase their prices by an average of 8 percent in fiscal year 1984 and our federal suppliers by an average of 3 percent.

We anticipate having to upgrade several of our existing budget computer systems so they can continue to meet the ever-growing demand placed on them by the increasing number of users. A primary area of

investment will be the scorekeeping system. We will, for example, expand that system so that it more adequately deals with off-budget items, thus giving the committees a more complete picture of proposed budget changes. We will also be continuing our efforts to improve our forecasting of federal outlays. These improvements will require modifications to our existing computer applications.

As another illustration of investment in the upgrading and maintaining of our existing systems, we are developing ways to respond more quickly and efficiently to the demands placed on these systems. In fiscal year 1982, for example, CBO was asked to supply committees with 5,250,000 pages of computer reports. This represented an increase of 38 percent from a year earlier. Because of this rapidly increasing volume of demand for our current systems, we are developing applications that will allow CBO analysts to examine our computer systems directly to check individual items, therefore avoiding the ordering of a lengthy report just to check a limited amount of detail. This investment in upgrading will, of course, lead to cost-saving efficiencies.

The \$435,000 for new work in 1984 involves the development and operation of computer-based systems to support new areas of analysis requested by committees that CBO serves. The work will be concentrated in three areas:

Budget Analysis	\$244,000
Tax Analysis	\$ 68,000
Human Resources	\$125,000

Expanded systems support in Budget Analysis includes credit budgeting, state and local cost estimating, and analysis of Social Security options. Other Budget Analysis areas that may require support by CBO in the second session of the 98th Congress are capital budgeting and multiyear proposals.

As a result of the Economic Recovery Tax Act of 1981 (ERTA) and the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), extensive changes to our revenue-estimating computer systems in Tax Analysis are required. We are currently using interim approaches to estimating, but need to overhaul our systems in this area. The increased attention to user fees has also added complexities to this area of our work and we expect continued attention on revenues that will require us to develop new systems approaches.

Two factors have impacted greatly on the analyses performed in the Human Resources area. First, the 1980 Census data has become available and needs to be brought into our estimating data bases, replacing the less accurate, aged 1970 Census baseline. Second, the dramatic changes in entitlement programs and the high unemployment rates require us to revise many of our estimating tools and in some cases to construct or locate new ones.

Systems, Data, and Model Development

Our systems, data, and model development category covers independent contractor effort directed at developing new systems or modifying existing ones; constructing, modifying, or acquiring data bases; collecting and analyzing data; and developing analytical models.

In fiscal year 1980, we spent \$1,084,000 in this category. Because of limited budgets in fiscal years 1981 and 1982, however, we sharply reduced the resources devoted to this area—to \$466,000 in 1981 and to \$258,000 in 1982. For fiscal year 1983, we plan to increase resources in this category to \$506,000. Our ability to respond to Congressional demands depends greatly on our ability to utilize the analytical capability provided by continuously updated, refined, or newly developed systems and models. For fiscal year 1984, therefore, we are requesting \$774,000 in this category.

CBO analyses in the Human Resources area are primarily based on data developed and collected by executive branch agencies. Often, however, an extensive amount of work is needed to transform these data so that CBO staff can use them efficiently to address issues of interest to the Congress. In other cases, the availability of new data permits the development or refinement of models that are necessary to analyze the impact of various Congressional proposals.

For example, continuing high unemployment and financial strains on the Unemployment Insurance (UI) system have focused Congressional attention on the labor market problems of jobless experienced workers. A new data source, now becoming available from the Department of Labor, will provide the first detailed look at the work experiences of jobless persons will help in assessing the effectiveness of programs designed to assist unemployed workers and in developing criteria for identifying jobless persons most in need of assistance.

Recent work by the Bureau of the Census for the 1980 Census has provided much new information about the extent to which both low-income and high-income groups are underrepresented in standard data bases such as

the Current Population Surveys (CPS). This information will be used to modify the March 1983 CPS to reflect more accurately the actual income distribution of the U.S. population, thereby improving the accuracy of future analyses and cost estimates, especially those based on data that have been corrected for underreporting and nonreporting of income.

I have gone into some detail to describe two specific examples of systems and models needed to support our analyses of key domestic policy issues. Continuing needs exist in other analytical areas.

Congressional interest in military retirement may require that we acquire and update data for some large models that estimate retirement costs (both outlays and accrual costs) and others that estimate the willingness of persons to remain in the military.

The strategic weapons increases are one of the most costly parts of the Administration's defense buildup and are of high interest to Congressional committees. NSIA has already developed some models that analyze the effects of alternative strategic forces on costs and capabilities. These models using specialized data will require additional work.

In the Natural Resources area, Congressional demand for CBO analysis suggests requirements for work on world agricultural markets, water resources, natural gas pipeline systems, and air quality control.

Personnel

The increase of \$213,000 in this area is only 2.5 percent over fiscal year 1983. The major part of this is merit increases for staff. In addition,

funds are also included for related pay benefits and full funding for CBO's Intern Program.

Other Support Services

This category represents 10 percent of our total budget. The increase of \$105,000 over fiscal year 1983 is due entirely to anticipated inflation costs averaging 6.7 percent. These activities include such items as telephone and equipment leases, printing, supplies, and travel.

CONCLUSION

Mr. Chairman, I want to thank the Committee for having provided CBO this year with the resources both to comply with the requirements of Public Law 97-108, which mandates that CBO do state and local bill cost estimating, and to respond to other important work assigned by the Congress.

Finally, I want to reemphasize that this request is for a current services budget. We are requesting no additional staff positions and the great bulk of our increased request is in the area of ADP operations and systems, data, and model development. Basically, the CBO budget goes for two things, people and computers. For fiscal year 1984, about 80 percent of the increase we have requested is for computer-related expenses.

I will be happy to provide the Committee with any additional information.

 APPENDIX A. CBO PANEL OF ECONOMIC ADVISERS

Barbara Bergman
Professor of Economics
University of Maryland

Barry P. Bosworth
Senior Fellow
The Brookings Institution

Dewey J. Daane
Frank K. Houston Professor of Banking
Graduate School of Management
Vanderbilt University

William Fellner
Resident Scholar
American Enterprise Institute

Alan Greenspan
President
Townsend-Greenspan & Company

Douglas Greenwald
New York, New York

Walter W. Heller
Regents' Professor of Economics
University of Minnesota

Walter E. Hoadley
Bank of America

F. Thomas Juster
Program Director
Institute for Social Research
University of Michigan

Lawrence R. Klein
Benjamin Franklin Professor
of Economics
Wharton School of
Finance and Commerce

Paul W. McCracken
Edmund Ezra Day University
Professor of Business Administration
University of Michigan

Leif H. Olsen
Senior Vice President
and Economist
First National City Bank

Rudolph Oswald
Director
AFL-CIO Research Department

Joseph A. Pechman
Director, Economic Studies
The Brookings Institution

Rudolph G. Penner
Resident Scholar
American Enterprise Institute

George L. Perry
Senior Fellow
The Brookings Institution

Paul Samuelson
Massachusetts Institute
of Technology

Charles Schultze
The Brookings Institution

Robert Solow
Massachusetts Institute
of Technology

Herbert Stein
Washington, D. C.

James Tobin
Sterling Professor of Economics
Yale University

Michael G. Wellman
Manager, Research Department
S.S. Kresge Corporation

Charles J. Zwick
President
South East Banking Corporation

**APPENDIX B. SUMMARY OF COMPLETED CBO REPORTS,
BY REQUESTOR (October 1, 1981, to September 30, 1982)**

<u>Requestor</u>	<u>Number of Reports</u>
House Appropriations Committee	4
House Armed Services Committee	5
House Banking, Finance and Urban Affairs Committee	1
House Budget Committee	6
House Energy and Commerce Committee	3
House Interior and Insular Affairs Committee	1
House Interstate and Foreign Commerce Committee	2
House Judiciary Committee	1
House Ways and Means Committee	4
Joint Economic Committee	1
Senate Agriculture, Nutrition and Forestry Committee	1
Senate Appropriations Committee	4
Senate Armed Services Committee	3
Senate Budget Committee	17
Senate Commerce, Science and Transportation Committee	1
Senate Energy and Natural Resources Committee	1
Senate Environment and Public Works Committee	2
Senate Finance Committee	3

(continued)

<u>Requestor</u>	<u>Number of Reports</u>
Senate Labor and Human Resources Committee	5
Senate Minority Leader	2
Senate Public Works Committee	1
Environmental and Energy Study Conference	2
Mandated by Congressional Budget Act of 1974	7
	—
TOTAL	77

SUBMITTED QUESTIONS

Senator D'AMATO. Dr. Rivlin, we have a few additional questions we would like to submit to you for your response in order to complete our hearing record.

Ms. RIVLIN. We would be happy to comply.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

DATA PROCESSING

Question. You are requesting about a \$900,000 increase for data processing. Last year you requested over a \$1.5 million increase for data processing, but I am aware that the entire increase was not granted. How much of this year's increase represents needs identified last year but not funded?

Answer. Much of the work required to upgrade our systems because of the availability of newly released 1980 census data was originally targeted for fiscal year 1983, but because of the final 1983 funding level for data processing, funding for this work is now targeted for fiscal year 1984 at approximately \$125,000.

Question. Are we reaching a plateau in data processing needs, or can we expect costs to continue to soar in this area?

Answer. Our computer utilization supports not only the work of CBO, but in large part is driven by the needs of the Budget and Appropriations Committees. Over the past 2 years, we have been moving our major applications to more cost-effective and responsive hardware and software. Therefore, barring any significant, unexpected price increases or increases in demand for support by the committees, we hope for a leveling off. If any increase should occur, we would expect it to be a modest one.

Question. Last year you endorsed the leasing of copying and word processing equipment, with accruals toward purchase, rather than outright purchase of this equipment. Does this continue to be your preference? Has any of the leased equipment been purchased?

Answer. In January 1983, CBO terminated leases on eight word processors and purchased eight Xerox 850 word processors. In addition, over the past year, we installed 23 Xerox 860 word processors, which we are now leasing with accruals toward purchase. These machines were replacements for less up-to-date equipment. No final decision has been made about whether or not to purchase this equipment. We have purchased no copying equipment and currently have no plans to do so.

Question. Last year the Congress authorized four additional positions for CBO, in recognition of the new responsibility to estimate the costs of Federal legislation on State and local governments. You had estimated eight personnel would be required. Do you still believe eight is the proper number? How confident are you in your ability to make this analysis at the present time?

Answer. We very much appreciate the committee's strong support for the additional four positions that the Congress did authorize for fiscal year 1983. Based on the activity that is developing, we are reasonably confident that our original cost estimate of this legislation will prove to be correct and that we will need a total of eight positions to carry out this responsibility. While we are now able to handle current work with the four positions and other support drawn from our staff, we still do estimate that this function, when fully developed, will require the projected number of positions.

SUBCOMMITTEE RECESS

Senator D'AMATO. That concludes today's hearing. The committee will recess until Tuesday, April 19, when we will receive testimony from the Government Printing Office, the Library of Congress, and the Copyright Royalty Tribunal.

[Whereupon, at 11:15 a.m. Friday, April 15, the subcommittee was recessed to reconvene at 10 a.m. Tuesday, April 19.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1984

TUESDAY, APRIL 19, 1983

U. S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a.m. in room S-128, the Capitol, Hon.
Alfonse M. D'Amato (chairman) presiding.
Senators present: Senator D'Amato.

GOVERNMENT PRINTING OFFICE

STATEMENT OF DANFORD L. SAWYER, JR., PUBLIC PRINTER

ACCOMPANIED BY:

WILLIAM J. BARRETT, DEPUTY PUBLIC PRINTER
GARRETT E. BROWN, JR., GENERAL COUNSEL
MICHAEL F. DiMARIO, ASSISTANT PUBLIC PRINTER (INFORMATION
DISSEMINATION/SUPERINTENDENT OF DOCUMENTS)
WILLIAM F. KLUGH, COMPTROLLER
W. SCOTT SONNTAG, DEPUTY CUSTOMER SERVICE MANAGER/
SUPERINTENDENT, CONGRESSIONAL PRINTING MANAGEMENT
DIVISION
RAYMOND J. PLUTO, DIRECTOR, DATA SYSTEMS SERVICE

OPENING REMARKS

Senator D'AMATO. The Subcommittee on Legislative Branch of the Appropriations Committee will come to order.

The first witness will be Danford L. Sawyer, Jr., the Public Printer of the United States.

Mr. Sawyer, I will take your entire statement as submitted for the record, and you may summarize it if you like.

Mr. SAWYER. Thank you very much, Senator.

Since you have been informally introduced to each of these gentlemen, I will not make the introductions, and we will go right into the statement.

BUDGET REQUEST

Mr. Chairman, my colleagues and I are pleased to be here today to present the funding requirements necessary to carry out the responsibility of the U.S. Government Printing Office for fiscal year 1984.

The funds requested for fiscal year 1984 total \$129,846,000, to cover those programs that require appropriations directly to the Government

Printing Office. This request consists of \$89,537,000 for printing and binding required by Congress, \$14,571,000 for printing and binding required by law to be distributed without charge to the recipient, and \$25,738,000 for the various programs of the Superintendent of Documents. The fiscal year 1984 request is a 6.6-percent increase over the amount approved in fiscal year 1983.

The increases in fiscal year 1984 over fiscal year 1983 represent across-the-board increases in labor and materials costs which will be partially offset by our cost reduction initiatives.

MANAGEMENT INITIATIVES

Fiscal year 1982 was a landmark year for the U.S. Government Printing Office. GPO management addressed a number of critical challenges generated by declining congressional and executive agency workloads, management and staffing inefficiencies, and technological changes. The successful resolution of these challenges required a critical analysis of GPO's operations, application of sound private-sector management techniques, and willingness to make difficult decisions and to act resolutely on those decisions.

My analysis of GPO's condition convinced me that many of GPO's basic difficulties had existed for years and that rapidly changing technology was not only making those difficulties worse, but also was creating new problems. Prior methods of dealing with GPO's long-term problems had not been effective and were not adequate to deal with GPO's new challenges. Furthermore, revolutionary technological changes dictated structural adjustments to GPO's work force and physical plant.

The realities of GPO's structural changes require renewed emphasis on the part of both labor and management toward the equitable and cost-effective resolution of the inevitable challenges to the status quo. The year 1982 can best be characterized, however, as the year when dedicated GPO managers and employees developed renewed awareness of GPO's primary role: To serve the information reproduction and dissemination needs of the American Government and its people in the most cost-effective and efficient manner possible.

Fiscal year 1982 saw a decline in revenues of \$36.9 million under 1981 levels, but this was more than matched by a reduction of \$39.6 million in total operating expenses. GPO concluded the year with a consolidated net income of \$4.1 million, comprising a \$4.9 million net income in sales of publications and a \$0.8 million net loss in the printing and binding operations. The loss in combined printing and binding operations is directly attributable to a decline in volume generated by President Reagan's efforts to reduce excess Federal printing and GPO's high cost of operations.

In the past, GPO alleviated most revenue shortfalls by simply raising the rates which it charged the Federal establishment for its services, thereby shifting the burden of its inefficiencies to the Congress, executive agencies, and, subsequently, to the American taxpayer. I refused to follow that course and concentrated instead on reducing GPO's operating expenses. GPO management thus developed and implemented a number of cost-cutting initiatives as follows:

AGENCYWIDE HIRING FREEZE

An agencywide hiring freeze which substantially reduced personnel costs. At the end of fiscal year 1982, employment stood at 6,069, a reduction of more than 6 percent under the previous year, producing a cost savings of approximately \$5.6 million.

A restriction of overtime and improved workflow management resulted in a savings of \$6 million compared to the year before.

The total expenses of the Superintendent of Documents operation were reduced by \$15.9 million.

A request for early-out retirement authority from the Office of Personnel Management, which could reduce GPO rolls by over 400 employees and save approximately \$11 million, has been made and is pending as of the date of this statement.

It is crucially important to recognize that while these measures saved the American taxpayer millions of dollars, the agency was able to achieve a significant increase in productivity.

One of the most important and satisfying financial events of fiscal year 1982 was the turnaround achieved in the sales of publications program. After 3 consecutive years of losses totaling in excess of \$20 million, this program achieved a net income of \$4.9 million this year and was responsible for the overall positive net income position of the agency. Sales revenue increased 7 percent over 1981 figures to an all-time high of \$55 million. The new-found health of this program can be attributed to much tighter purchasing controls, improved management systems, cost-recovery pricing policies, and new emphasis on marketing.

NEW MARKETING EFFORTS

To increase marketing efforts, I established a Marketing Department which will concentrate not only on the sales of publications program, but also on the depository library, the printing and binding, and the printing procurement programs. The Director of Marketing and his staff have prepared a series of public service advertisements for radio and television to make the public aware of GPO's newly developed U.S. Government Books catalog, which are being aired nationwide.

Other initiatives, such as a public service advertising campaign for depository libraries and direct mail campaigns, are being developed. The success of these efforts will help to hold the line on the prices of Government publications and should greatly enhance public access to Government information.

PRICING OF GOVERNMENT PUBLICATIONS

An additional matter which I have been addressing in the Superintendent of Documents area is the pricing of documents. In October 1982, I formed a task force comprised of GPO officials, the JCP Staff Director, and a representative of the publishing executive agencies, to study this matter and make recommendations.

On April 8, the task force presented its report to me, and I adopted its suggestions in their entirety. I will submit a copy of the report for the record. The major changes resulting from the report include: (1) al-

tering the basic pricing formula to incorporate an expanded number of product categories in order to make the price of individual documents more accurately reflect the actual cost of those documents; (2) a reduction of 10 percent in the existing pricing formula for new documents offered for sale between April 1 and October 1, 1983; (3) the use of actual commercial printing and binding rates to price sales documents printed by contractors; (4) the assumption by GPO of reprinting costs for documents reprinted within 6 months of their original printing; (5) the establishment of an 18-month life cycle for hard-copy publications during which prices of those publications will not change; (6) endorsement of the concept that small publications should be sold at a price commensurate with their size; (7) a trial program of contracting subscription fulfillment for certain subscriptions; and (8) pursuit of authorization to blow back for sale hard copies of publications in stock only in microfiche.

These very significant changes in the pricing formula and Superintendent of Documents practices should lead to increased public access to Government information at a minimum cost to the taxpayers.

ORGANIZATIONAL CHANGES

Other organizational changes were made during 1982 to improve the efficiency of the GPO. The Office of Legislative Liaison/Public Affairs developed into an agencywide focal point for the coordination and facilitation of GPO contacts with the Congress, Federal agencies, interest groups, and the public. I initiated the consolidation of the procurement activities of Printing Procurement and Materials Management under a new Assistant Public Printer for Procurement. This should lead to enhanced consistency and oversight of all GPO procurement activities.

In addition, I upgraded the function of the Office of Planning in order to provide a focus for the development of long-range and strategic planning. All of these management efforts will lead to better customer/client relations and enhanced efficiency.

This year, GPO labor and management conducted wage negotiations under the Kiess Act for GPO's craft and industrial workers. Of central importance in these protracted negotiations and the subsequent presentations made to a factfinder were the efforts of management negotiators to establish sound and equitable criteria for the setting of GPO wage rates.

WAGE NEGOTIATIONS

During the 1970's labor and management first changed and then abandoned the use of formulas which averaged rates in certain cities for the purpose of determining wage rates. Wage negotiations became ad hoc events, lacking a sound starting point from which to begin serious discussions.

I proposed, however, a wage package based upon achieving eventual parity with the Federal wage system, which establishes wages for most other Federal workers doing jobs identical or similar to GPO craft and industrial employees. The wage rates embodied in the Federal wage system are adjusted annually and are based upon the private sector prevail-

ing rates as determined by extensive survey data from private firms in a particular geographic area.

Management's wage proposal thus made use of more complete and accurate data than any other wage proposal in recent memory. Most importantly, our proposal established the use of a Government-wide Federal wage system as a sound precedent for the formulation of management wage proposals in the future.

Following hearings before a factfinder, the Joint Committee on Printing resolved the wage dispute with a true compromise: They accepted neither the prevailing rate system GPO suggested nor the 20.6-percent increase suggested by the unions. Instead, they left the current pay system in place for 3 years and provided for cost-of-living adjustments capped at 5 percent annually.

MASTER LABOR AGREEMENT

In a history-making move, labor and management at the U.S. Government Printing Office have signed a master labor agreement covering 5,500 employees in 12 union bargaining units at the agency. This agreement is the culmination of 63 bargaining sessions which began in February 1979.

In addition to promoting fair and reasonable working conditions, the master agreement will serve to encourage improved programs to aid GPO employees in achieving their acknowledged and recognized objectives. A direct result of the agreement will be the prompt adjustment of all differences arising between labor and management and related matters covered by the agreement and other aspects of employee relationships. Further, the highest degree of efficiency and responsibility in the GPO will be fostered and the agency will achieve systematic employee-management cooperation.

Of particular interest in the agreement are the new grievance and arbitration procedures that have been negotiated. Employees have now obtained the new broad scope grievance procedure established under the Civil Service Reform Act, gaining the right to grieve on any complaint relating to the employment of any employee. The agreement will be easier to implement because these procedures are now common to all, thus saving both money and time.

Mr. Chairman, there are three or four more pages here, and if you want me to, I can go on.

Senator D'AMATO. Go ahead.

BOOKSTORE CLOSINGS

Mr. SAWYER. A proposal to close all GPO bookstores outside of the Washington, D.C., area was postponed pending a study of the sales of publications program by the General Accounting Office. GPO's sales program could have saved almost \$1 million by closing those poorly located and underutilized facilities, while studies show that GPO would retain most of the business generated by the bookstores.

The mail order portion of the sales program is now a \$48 million per year operation, with excellent computerized order processing and fulfill-

ment capabilities. The strength of GPO's sales program lies in that mail order system, and once the General Accounting Office issues its report, the bookstore issue will be reexamined with the information then available.

AGENCY PRINTING PLANTS

Fiscal year 1982 also marked the beginning of what was to have been a far-reaching evaluation by the GPO and the JCP of the network of JCP-chartered field printing plants run by executive agencies. A study of the Federal printing needs and facilities in the New York area was used as a pilot program and the recommendations which resulted were very promising. Most of the executive agency plants in that area could be closed or downgraded to duplicating facilities, and regional GPO facilities could produce or procure the work previously done in those agency plants.

Senator D'AMATO. Excuse me.

Mr. SAWYER. There is some more. [Laughter.]

Senator D'AMATO. Where do you come from?

Mr. SAWYER. I was born in Bay Ridge, Senator.

Senator D'AMATO. Where do you live now?

Mr. SAWYER. Florida.

Senator D'AMATO. Do they have any printing offices in Florida? [Laughter.]

Mr. SAWYER. The Office of Management and Budget, in keeping with the President's cost-reduction efforts under Reform '88 and as an extension of the successful campaign to rid the Government of unneeded and excessively expensive publications, has taken up this initiative and with the technical assistance and cooperation of GPO, is surveying all executive agency printing and duplicating plants. I strongly encourage this activity and feel that the efficiencies and savings shown to be possible in New York will be replicated throughout the country.

Senator D'AMATO. Why don't we replicate something else first? Why do you pick New York?

Mr. SAWYER. New York has traditionally been the center of the printing and publishing business in the United States.

Senator D'AMATO. Go ahead.

Mr. SAWYER. And we felt it was——

Senator D'AMATO. When they close bases, they look at New York. You look at New York. Do you have any printing plants in Florida?

Mr. SAWYER. Yes, we do, sir.

When I say we have printing in Florida, yes, there are printing facilities in Florida, but there are not any GPO facilities in Florida.

Senator D'AMATO. We will come back to this.

Mr. SAWYER. I will say the second area we are moving into is the Atlanta regional area, which does service the State of Florida.

Going back to that, I did recommend the closing of the GPO bookstore in Jacksonville, Fla. [Laughter.]

Senator D'AMATO. I am not against Florida facilities.

Mr. SAWYER. Where was I?

The entire Federal establishment and the American taxpayer will benefit from the consolidation and cost savings possible through OMB's and JCP's evaluations.

LONG-RANGE PLANS

All of these distinct programs and initiatives are noteworthy, but, as Public Printer, I also have the responsibility of addressing the long-range future of the GPO and its evolving mission. That future lies in computer-based information processing, printing, and distribution systems, as well as in more highly mechanized binding operations.

The GPO, of course, is not unique in this regard. It only mirrors the changes, the problems, and the challenges now facing the rest of the industrial economy. The computer, in one form or another, is making millions of jobs obsolete almost overnight. Economic and vocational dislocation is the result.

We have almost completed the final changeover to electronic photo-composition from the old hot metal process. This transition changed forever many of the tasks that the traditional printer has performed for nearly 80 years. Indeed, it appears that computer data bases may soon supplant the printed page completely for some purposes. If a printed page is desired, then one need only push a button, and the printed product will appear.

The installation of new adhesive binding and mailing systems began at GPO this year and will be completed early in 1983. They are only the latest in a long line of computer/machinery-based advances in the printing and binding process. Printing as an industrial factory process will become less and less a reality. To appreciate this, one need only compare the workplace of a linotype operator 10 years ago to the air-conditioned quiet of an electronic photocompositor today. We must enter the future with this inexorable change in the printing/information industry foremost in mind.

Advancing technologies will make the printing industry less labor-intensive. Traditional craft-oriented jobs will continue to be overtaken by modern processes requiring very different skills. Thus, GPO will need fewer employees, and the skills required will change dramatically. Labor and management must work together to meet those challenges. We must not lose sight of the fact that the changes are technological, but the problems are human. Therefore, the solutions we devise must be not only cost-effective, but equitable.

Meeting these challenges with cost-effective and efficient solutions in order to serve the information needs of the American Government and its people will be the keystone of my efforts as Public Printer for fiscal year 1983 and beyond.

This concludes my general statement and I will be glad to respond to any questions which the Chairman might have.

REDUCTION IN THE DOCUMENT'S AREA

Senator D'AMATO. In your testimony on page 5, you have indicated that the total expenses of the documents operation were reduced by \$15.9 million. How was that reduction accomplished?

Mr. SAWYER. Primarily through a reduction of staff through attrition, and also through—

Senator D'AMATO. Didn't you indicate that a 6-percent personnel reduction accounted for \$5.6 million in savings? As I read your testimony, an agency hiring freeze reduced personnel costs by 6 percent and contributed to a savings of \$5.6 million. Then you get another \$6 million through reduction in overtime. Then you say, "The total expenses of the Superintendent of Documents operation were reduced by \$15.9 million."

Is that a combination of the \$5.6 million and some other management operations?

Mr. SAWYER. There were several things that, combined, led to our reduction of expenses in the Superintendent of Document's area. We consolidated some warehouse facilities. We consolidated them in Maryland, and we reduced the size of the staff, instituted better inventory control, et cetera.

Now, we happen to have the Superintendent of Documents, Mr. DiMario here, who can elaborate further.

Senator D'AMATO. I want to go on first. Explain it to me now: Is the \$15.9 million a total of the 6-percent reduction through the hiring freeze, the reduction of overtime, and other management initiatives?

Mr. KLUGH. The Superintendent of Documents' reductions consist of several items. One of those items was personnel costs.

Senator D'AMATO. Excuse me. Look at page 4.

Mr. KLUGH. Yes, sir.

Senator D'AMATO. Would you look at page 4?

Mr. SAWYER. Yes.

Mr. KLUGH. You have \$5.6 million.

Senator D'AMATO. An agency hiring freeze, which reduced personnel by 6 percent, resulted in \$5.6 million in savings. Then you say, "A restriction of overtime resulted in a savings of \$6 million."

Now, are those savings part of the \$15.9 million by which the expenses of the Superintendent of Documents were reduced?

Mr. KLUGH. There is a very small portion that is doubled up. The \$15.9 million reduction in the Superintendent of Documents, a small portion, less than a million dollars, is people costs for Documents.

Senator D'AMATO. So that it is \$1 million worth of savings with respect to people costs.

Mr. KLUGH. That is right.

Senator D'AMATO. Then the second question is, Where does the balance of the \$15.9 million in savings come from?

Mr. KLUGH. There is 7 million dollars' worth in savings in the reduction of publications that had to be destroyed. There are other savings—

Senator D'AMATO. \$7 million? Explain that to me.

Mr. KLUGH. In 1981 we threw away approximately 11 million dollars' worth of publications. In 1982 we threw away approximately 4 million dollars' worth of publications.

Senator D'AMATO. What contributed to the difference between the \$11 million one year and the \$4 million another?

Mr. SAWYER. Much better inventory work; much better publications selection.

Senator D'AMATO. Overprinting in some areas?

Mr. KLUGH. Overacquisition of publications for the sales program that the market never wanted.

Senator D'AMATO. Your statement does not say it. Your statement says \$15.9 million, and I want to know how you got \$15.9 million. All you are saying is that you have the total of \$11 million worth of books and documents, et cetera, that were not marketed, not sold, and this time you reduced that inventory down to \$4 million. That is good. That is a better way of making savings.

Mr. SAWYER. Would you like me to elaborate on what we did in New York, because it should turn out very well for New York.

Senator D'AMATO. You can be quite sure that I will ask you that. What is the balance?

Mr. KLUGH. We also saved in what we call rent, communications and utilities, which is postage expense for administrative mailings; it is also the rent for the facilities, warehouses, et cetera. We saved a little over a million dollars in that category. We saved in the other services, which is our computer operations, our support services. We saved another half a million dollars there.

Those are the principal items. If you would like, we can give you a breakdown by object class for every category in detail. I do not have that prepared in that format right now.

STATUS OF EARLY-OUT REQUEST

Senator D'AMATO. No, I just wanted a basic overall explanation of how you achieved these savings.

Also on page 5 in your testimony, you indicated a request for early-out retirement from the Office of Personnel Management, which could reduce GPO rolls by over 400 employees and save approximately \$11 million.

What is the status of that request?

Mr. BROWN. Let me address that one. It is pending. I do not know that we will necessarily get it. But in the meantime, we have been able to offer discontinued service—which is a selective early out—to employees in areas that we have phased out and closed down, such as the portions of the hot metal area, which Mr. Sawyer refers to in his statement where the technology has just simply passed them by. We were able to achieve savings in that area on a selective basis.

Senator D'AMATO. How does that take place?

Mr. BROWN. I am not in Personnel, incidentally. I am a lawyer, but I have some familiarity with it.

If we close down an area, we are able to abolish a job, and some individuals who are eligible for retirement are able to take early retirement at that point if we cannot place them elsewhere in the organization. We also have—

Senator D'AMATO. When you say they are able to take early retirement, give me an example; educate me.

Mr. KLUGH. The Government rules on that are, if your job is abolished and there is not another job for you, and if you are 50 years of age with 20 years of service, you are eligible to take reduced annuity retirement.

If you have 25 years of Government service, regardless of age, you can take reduced early retirement.

Senator D'AMATO. In terms of your implementation of that program, have any people lost jobs that did not prefer retirement?

Mr. BROWN. No.

Senator D'AMATO. You attempted to shift them into other areas?

Mr. BROWN. Oh, yes. We have a very extensive retraining program to take people who have skills that are no longer needed, outmoded by technology, and to train them into areas where we need employees. This corresponds with the hiring freeze. Instead of hiring people, we train people that we have in these new technologies.

Senator D'AMATO. Excellent; good.

Mr. SAWYER. When I first went to GPO, we had approximately, in round figures now, 6,600 people on the payroll. The figures that we have in there, only in the fiscal year, they show around 6,000. We are down to about 5,900 now, probably even under that, 5,875 or so. Those people have all been lost, with certain noted exceptions, through attrition. The only people we fired are people that have been fired for cause under OPM regulations.

At the same time, we ventured into some very extensive, and, I must add, some very expensive retraining efforts. I would much prefer to go about it that way.

Senator D'AMATO. Is that the method that you envision continuing in the next fiscal year?

Mr. SAWYER. Hopefully, yes. One cannot predict the future, but—

Senator D'AMATO. Your policy; what is your policy?

Mr. SAWYER. Our policy, all right, our policy is to continue that procedure and to—to answer the question directly, we have no plans for a RIF, OK. We are not envisioning that. We hope that our attrition rate will stay about where it has been, and that within a couple of years time, the GPO work force will be down to the level it should be at.

FUTURE PERSONNEL REQUIREMENTS

Senator D'AMATO. Do you have an ideal personnel level in mind?

Mr. SAWYER. Yes. Yes. Our planning department has evolved a 10-year strategic plan, and there are some levels there in terms of employment. Speaking 10 years out, I can tell you our needs will be about half what they are now.

Senator D'AMATO. Technological changes and—

Mr. SAWYER. Yes, technological changes and, taking it on out, those technological changes will bring about a totally changed end-product mix.

We are not going to be producing as much ink on paper, that kind of thing any more; microfiche. It will be more kinds of data storage on the computer than what we have now.

Nevertheless, your needs here in the Congress are going to change. The executive agencies needs are going to change, and that is going to be reflected in what we produce. You are going to be able to do whatever it is with less people. It is the same story throughout all of the U.S. industry.

Senator D'AMATO. I think you are to be complimented on your program of not RIF'ing people and reducing by way of attrition and retraining efforts. I think that is most important, and particularly for the smooth harmony and spirit within the work force; that is important to encourage. It is good that you can avoid laying off someone. Except for people dismissed for cause.

Mr. SAWYER. Right.

Senator D'AMATO. But as a result of automation, I would certainly encourage that kind of approach. It is more humane, and it is more sensible, and it will not be deleterious to the morale of those people there.

How would you characterize management-labor relations at the GPO since the factfinder resolved the wage issue last year?

Mr. SAWYER. Quiet; reasonably good.

Senator D'AMATO. When does the present contract with the union expire?

Mr. SAWYER. Well, I am not sure that we have a contract. We have an agreement. From a strictly legalistic standpoint, we do not have a contract. We have an agreement that was reached by the Joint Committee on Printing and this 3-year term—I am not even sure that the word "term" is the right word to use.

Garrett, you are the lawyer. Get me out of this with the right words on this thing. It is not a contract.

Mr. BROWN. It is an unusual situation, Senator. Concerning wages, it is not a contract, per se. It is a resolution passed by the Joint Committee on Printing.

There are two separate aspects of our labor negotiations. One is wages and the other is conditions of employment under the Federal Labor Relations Act. As to both, we have what can be considered a 3-year term or 3-year period during which they are to operate. But the one is by a resolution enacted by the Joint Committee on Printing; the other one on terms and conditions is a master contract which, as Mr. Sawyer referred to it, is an historic breakthrough. It is the first time that we have had a master contract covering almost all the industrial and blue-collar employees.

Senator D'AMATO. When does that end?

Mr. SAWYER. Three years also.

Senator D'AMATO. Three years from now?

Mr. SAWYER. Three years on the work conditions contract; three years on the wage provisions.

Mr. BARRETT. From last summer.

Mr. KLUGH. June 18 is our anniversary date on the wages, so it is June 18, 1985, we will have to start over.

FIELD PRINTING PLANT EVALUATION

Senator D'AMATO. Can you summarize the findings of your study of the agency printing plants in New York?

Mr. SAWYER. Yes, certainly, I can, but I am going to have to go into a somewhat broader scope to preface it.

Senator D'AMATO. I know.

Mr. SAWYER. In addition to the GPO, the JCP has brought onto the scene some 200-plus printing plants around the United States; at one stage of the game there were approximately 300 waivers. Those waivers contained no sunset provisions. It is my understanding that in the future, waivers will contain a sunset provision whereby these plants will have to rejustify their existence. The lack of that sunset provision over time, I think, caused some aberrations in the system. Plants brought into being for some particular purpose really had no reason for continuance beyond a certain date, but, as you know, those things continue unless someone brings them to a halt.

What we wanted to do was to study the situation. The GAO provided a spark for that study back in June 1981, June or July 1981, when they issued a study on selected field printing plants around the country which indicated that the overwhelming majority, better than 90 percent, were operating at costs far higher than those of the Government Printing Office; in some cases, several times higher than those at the Government Printing Office. The law specifies that the Government procure printing when it can. It is very clear in title 44. New York was picked as the pilot place to do the study.

Senator D'AMATO. Who picked it?

Mr. SAWYER. JCP, GPO, together.

Senator D'AMATO. OMB helped you?

Mr. SAWYER. No, OMB was not involved in the selection.

Senator D'AMATO. You are very tender on it, are you not?

Mr. KLUGH. Not me. I like OMB. [Laughter.]

Senator D'AMATO. They are going to have some fun with me.

Mr. KLUGH. I like the Senate, too.

Mr. SAWYER. He is a former GAO man. You have to forgive him.

Senator D'AMATO. GAO, I think, does a great job, a fine job. It is a great institution. Thank God we have somebody to keep track of what would otherwise be total runaway situations as far as I am concerned. They are not nearly as dogmatic as some people.

Mr. SAWYER. Joint Committee on Printing Regulations for Printing and Binding state, and I think it is section 4.2, if I am not mistaken, and I will paraphrase, "If it can be procured, procure it." Nevertheless, those regulations embodied the spirit of OMB's A.76. I hate to keep referring to them, but I must.

ABSORPTION OF AGENCY PLANTS

Most Federal printing is procured, and a great deal of the work that is being produced at these field plants around the country, in our opinion, should have been procured. So anyway, we entered into the study, and we found that our suspicions were correct: that the overwhelming majority of the work being produced in these plants in New York was commercially procurable in the New York State area from private contractors operating in that area rather than being produced in-plant. We proceeded to enter into an agreement whereby as these plants are shut down, No. 1, GPO absorbs the employees so there is no loss of employment at all.

Senator D'AMATO. Where are they absorbed?

Mr. SAWYER. They are absorbed into our operations in New York City. We operate a field printing plant and a regional printing procurement office on Varick Street, which really should be called Seventh Avenue. You will have to make that change sometime. It is really confusing.

Senator D'AMATO. That is Mayor Koch. I left the District of Columbia Subcommittee. Mayor Marion Barry should run D.C.; Mayor Koch should run New York.

Mr. SAWYER. Anyway, they are absorbed in our operations. There is no loss of personnel. The equipment no longer needed is either picked up by GPO for use in New York or sold, as the case may be, and the work is then procured, primarily through our regional printing procurement office, which means it goes out to contractors in the New York City greater metropolitan area. I guess some of it spills over into northern New Jersey, but—

Senator D'AMATO. Does that make the plant that absorbed the workers who come from one facility to another, more or less cost-effective?

Mr. SAWYER. Much more cost-effective. We have reduced the cost to the Government and to the taxpayers.

Senator D'AMATO. If they close two plants on Smith Street and take the 20 workers and put them into the plant on Seventh Avenue, do I make the Seventh Avenue facility more or less effective costwise?

Mr. SAWYER. No. 1, you eliminate the lease costs on the two plants on Smith Street. You eliminate all the overhead costs. You eliminate the maintenance and all that on the machinery. You achieve some dollars from the sale of the machinery. Then what happens is that some people seek retirement; we have found in many of these facilities—let us say you have seven people coming over from plant A; three or four of them will retire because they are eligible to, and they do not want to make the move or they will go get a job with the city, or they will go get a job with the State, voluntarily. They have the opportunity to come with us, so what happens is we end up getting 40 or 50 percent of the employees. That is the way it has worked. No one gets hurt, everyone benefits, and the business stays in New York.

Senator D'AMATO. Ultimately, do your plans include a closing of all of the agency printing offices?

Mr. SAWYER. There are some Department of Defense facilities which probably will remain open around the country because of their particular demands, the urgency of the moment, security, what have you. But we would like to see the overwhelming majority of these non-GPO plants shut around the country. In our view, Senator, they never should have been brought into being to begin with. They have taken away a great deal of work from the Government Printing Office. They have caused us some severe dislocations as far as our own people are concerned. And as long as the process can be continued as it was started in New York without adverse impact upon employees, I think it can and will prove to be cost-effective; we are reducing the costs to the Government. Certainly, the industry is in favor of it. They get more work. Our employees are in favor of it. We are able to retain more work in GPO. It appears this is a win, win, win situation where nobody loses.

Senator D'AMATO. When and where are you going to begin your next pilot study?

Mr. SAWYER. Well, things have changed since that pilot study, and OMB has now gotten into the act, and OMB and JCP and GPO have resolved our differences. There were differences. We had some words over those, I guess, is the way to put it. But we have ironed those out. We now have a unified effort among all three organizations to go forward. There is a nationwide survey in progress right now.

Senator D'AMATO. Who is conducting the survey?

Mr. SAWYER. The survey is being conducted by OMB but with full cooperation of JCP and GPO. The three of us are unified.

Senator D'AMATO. OMB is conducting the survey?

Mr. SAWYER. Yes, OMB is conducting a survey, because these are primarily executive agency plants, and from the budget standpoint, surely fall under their agencies.

Senator D'AMATO. Where is the next pilot operation? Are you saying there will not be?

Mr. SAWYER. We had originally planned to go from New York to Atlanta and then across the country. That has been changed by events, and we are now doing a complete nationwide study.

Senator D'AMATO. When is it indicated that that study will be complete?

Mr. SAWYER. In the next few weeks.

Senator D'AMATO. Would you submit me a copy of that study?

Mr. SAWYER. Sure. I would be happy to.

Senator D'AMATO. Last year the Joint Committee on Printing adopted a resolution prohibiting furloughs, reductions in force, and other adverse personnel actions until a study of the long-range printing needs of the Federal Government has been conducted.

What about that study?

Mr. SAWYER. The Joint Committee on Printing is supposedly in the process of letting that study. We have worked with them on it. It has taken a great deal of time, and I cannot speak to the status of that. That is a question that I think you will have to direct to the Joint Committee on Printing.

COMPARISON OF PROFIT AND LOSS

Senator D'AMATO. In the first 5 months of fiscal year 1982, there was a \$4.9 million loss in printing and binding operations. How did the first 5 months of fiscal year 1983 compare?

Mr. SAWYER. Not as bad. I do not have the figures in front of me, but we can provide them month by month.

Mr. KLUGH. They are worse.

Mr. SAWYER. They are worse?

Mr. KLUGH. I have the 6-month figures here. Through March 1983, our printing and binding operations are losing about \$3.2 million. Now, we took some action, though, to affect this. January 1, we raised the scale of prices by 5 percent, which generates additional revenue throughout the year. We have taken some other actions in cutting costs to improve the operations and in the handling operations. We have made some changes which we think will get us into a profit picture by the end of the fiscal year.

Mr. SAWYER. The figures that we are quoting from, I would like to add for the record, are figures that have not been audited. They were prepared strictly for internal use of management as a tool in making projections and tracking progress.

EFFECTS OF S&E REDUCTION

Senator D'AMATO. Just two more quick questions. The American Library Association has charged that a proposed reduction of appropriations for the Superintendent of Documents will result in reduced services for the depository libraries. What is your reaction to that, briefly?

Mr. SAWYER. First off, that is not true. Second, for the details—

Senator D'AMATO. What is not true?

Mr. SAWYER. It is not going to result in any reduced service. We are not in the business of reducing services. We are a service organization. We are very conscious of that mission, and what we are attempting to do is to offer the highest personalized quality service to every customer we have. That goes from Congress right on down. As to the details of that, the Superintendent of Documents can speak to that.

Senator D'AMATO. Have you had occasion to speak to the library association?

Mr. SAWYER. Often.

Senator D'AMATO. Have you allayed their fears?

Mr. SAWYER. I hope so. Actually we have, I think, a very good relationship.

Senator D'AMATO. That is why I asked if you have had an opportunity to speak to them in connection with this.

Mr. DiMARIO. An inquiry was made by Ann Heanew of the American Library Association—I believe that was her name—to Sarah Kadec, our Director of Library Program Service. She did speak directly to her and gave our response to certain resolutions that were raised in San Antonio. I think that the issue was whether or not the reduction that we were showing for the depository library program would impact on the distribution of Defense Mapping Agency (DMA) and Geological

Survey maps. A second issue was whether or not the same reduction would impact on the distribution of energy publications that certain people had sought to get into the system for some period of time, including some members of JCP staff. The answer to both questions is that neither program would be hindered by the reduction. The reduction was basically due to improved distribution through greater use of microfiche. We had some ongoing discussions with DMA and Geological Survey concerning the map distribution. We believe we have adequate funding to handle the distribution for this fiscal year, fiscal 1984. We have a meeting today, following this meeting, at the Joint Committee on Printing on that issue. They were collating certain survey data and that data should be available later today as to what libraries are interested in receiving the maps. The energy publications are primarily those technology publications that are produced down at Oak Ridge, Tenn. We have a draft agreement—I have it with me—in both instances, one on the DMA maps, the DMA Geological Survey maps, and the other on the energy publications, whereby we would establish a system to handle those publications.

With respect to the energy publications, we have included in the current budget request—and it is in there right now—a \$1.6 million request for distribution moneys, and that is adequate to handle that particular program.

Senator D'AMATO. Did you come away from your meetings with the library people feeling that some of the differences had been narrowed?

Mr. DiMARIO. I have not met directly with the library people. I have only been in the job for a little over a month. I had previously been in the Documents area several months ago. We do have, next week, beginning next Wednesday, our Depository Library Council meeting. It will be held here in Washington. At that point in time, we will have a direct interface with the library community, and the issue will be addressed again directly with the library. It will not be with the American Library Association, per se, but many of their members will be present.

Mr. SAWYER. I have had some conversations with ALA representatives on this, as well, and very recently—and I think Bill has also. There are lines of communications there. I think that the technology enables us to do certain things for less, and so the fact that we are not requesting more is something, but I think we can handle this, and I think that they will understand it, and I think that there will be no friction or any problems.

Mr. BARRETT. The figure was reduced from last year, because last year we had the printing of the Decennial Census. We will not have that large expenditure for 10 years. They did not understand why we are asking for less.

Mr. SAWYER. We are asking for less because we can do the job for less, so why should we ask for more?

Mr. DiMARIO. We have submitted a written response to Eileen Cook of the American Library Association dated April 18. She may not have received that response.

Mr. BARRETT. Eileen was in the Office last week, but she didn't indicate that there was a problem.

Senator D'AMATO. All right.

SUBMITTED QUESTIONS

Thank you very much. We will submit additional questions for the record.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

Question. What percent was the volume of GPO printing off in fiscal year 1982? What portion of this was in Congress, and what portion in the Executive Branch? Are you certain that this figure does not represent increased in-house printing by federal agencies, or increased use of outside contractors, rather than a decline in overall printing?

Answer. The total volume of GPO printing declined by about three percent in fiscal year 1982. The volume of Congressional printing declined by about one percent in fiscal year 1982 from fiscal year 1981. While we do not have the data to determine precisely whether the decline in GPO printing was due to an increase in in-house printing by federal agencies or an increase in their use of outside contractors, we believe there was an overall decline in Federal printing.

Question. Last year you rescinded a scheduled 16% increase in GPO prices. What changes in prices have there been since that date?

Answer. There was an overall increase of five percent in the Scale of Prices effective January 1, 1983, an increase in the handling charge for paper and material from 25 to 30 percent effective April 1, 1983, and an increase in the maximum surcharge for commercial purchased printing from \$2,000 to \$2,500 effective April 15, 1983.

Question. Is your restricted overtime policy still in effect? What percent was overtime reduced in fiscal year 1982 over fiscal year 81, and how does fiscal year 1983 stack up so far in overtime compared to the same period in fiscal year 1982?

Answer. GPO's overtime policy is to work overtime only when needed. The Public Printer reinforced this policy. Total overtime hours declined by 48 percent in fiscal year 1982 compared with fiscal year 1981, resulting in a savings of about \$6 million. While overtime hours through March of 1983 have increased above the comparable period in fiscal year 1982, overtime hours through March of 1983 are still running about 42 percent below the comparable period in fiscal year 1981. Data on overtime hours is summarized in the table below.

GPO Overtime Hours					
Through March 31					
	FY 1981	FY 1982	FY 1981	FY 1982	FY 1983
Hours	782,439	405,968	439,612	156,419	255,220

Question. Please provide the Committee a breakdown of expense savings in the office of the Superintendent of Documents. Does the \$15.9 million figure include write offs for destroyed publications? How much? How do you justify considering destroyed documents as savings?

Answer.

Superintendent of Documents
Reduction of Expenses, FY 1982 from FY 1981
(in Thousands)

	<u>Reduction</u>
Cost of Publications sold	\$ 542
Unsaleable publications	7,370
Postage	83
Personnel Compensation & Benefits	1,147
Rents, Communications, & Utilities	1,834
Printing & Reproduction	3,652
Other	1,263
Total Reduction	<u>\$15,891</u>

As indicated in the table above, the total reduction in expenses of \$15.9 million includes a reduction of about \$7.4 million in unsaleable publications expense. Unsaleable publications is a legitimate cost of doing business in the sales program and reductions in this area are similar to savings achieved in any other expense category. To the extent that it is impossible to forecast customer demand for individual publications with complete accuracy, such write offs will continue. Improved inventory management and better selection of publications should reduce this expense in the future.

Question. What percent of revenues from the sale of GPO publications are derived from mail orders? What percent of sales were generated through the bookstores outside of Washington D.C.? What groups opposed the closing of these bookstores? When do you expect the GAO report on the bookstores to be issued?

Answer. In fiscal year 1982, mail order sales amounted to about \$45.9 million or 83 percent of total sales. In fiscal year 1982, sales generated by bookstores outside of the Washington, D.C. area amounted to \$4,964,000 or about 9% of total sales revenue. The American Library Association is the only organization that opposed the closing of the bookstores. However, others, primarily the Joint Committee on Printing, have opposed this action. The Joint Committee on Printing asked GAO to conduct a study of the bookstores and the General Sales program. While we expect the study to be completed shortly, the Joint Committee on Printing should be able to provide the best information on when the study will be issued.

Question. Your statement indicates that until the 1970's, negotiations between management and the unions utilized formulas averaging wages in certain cities as a basis for GPO wages. If such formulas were again utilized, what effect would this have on these wages?

Answer. Using a formula comparable to that utilized in the 1970's would result in a significant hourly wage reduction of some 20 percent for the majority of GPO journeymen.

Question. Last year you estimated that a printing job can cost twice as much at GPO as in a commercial plant. Do you believe this is still the case?

Answer. Yes.

Question. What percent of the work sent to GPO thus far in fiscal year 1983 was procured commercially?

Answer. Through April fiscal year 1983, the amount commercially procured is 72.8 percent.

Question. Last year the Congress altered the International Exchange Program. How has this change affected GPO? Are further changes needed?

Answer. P.L. 97-276 amended Title 44 to require that the printing and distribution costs of this program be borne by the originating agencies. Previously, the Printing and Binding Appropriation was charged for the printing costs and GPO was reimbursed by the Smithsonian Institution for the distribution costs. In addition, last year the Joint Committee on Printing authorized GPO to furnish microfiche copies of publications to International Exchange libraries. These actions have resulted in substantial reductions in billings against the Printing and Binding Appropriation. For example, during the first six months of fiscal year 1982, there were \$207,000 in billings for fiscal year 1982 publications. During a comparable period in fiscal year 1983, billings amounted to only \$9,000. To date the program appears to be working satisfactorily. No additional changes to the International Exchange Program are needed at this time.

LIBRARY OF CONGRESS

STATEMENT OF DANIEL J. BOORSTIN, LIBRARIAN OF CONGRESS

ACCOMPANIED BY:

WILLIAM J. WELSH, DEPUTY LIBRARIAN OF CONGRESS

DONALD C. CURRAN, ASSOCIATE LIBRARIAN OF CONGRESS

GILBERT GUDE, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

OPENING REMARKS

Senator D'AMATO. Welcome Dr. Boorstin, and other representatives of the Library of Congress.

Dr. Boorstin, you may proceed in any order that you want to submit or give your testimony.

Are you ready to proceed?

Dr. BOORSTIN. Mr. Chairman, I have a copy of my formal statement here, which I would like to give you for the record, if I may.

Senator D'AMATO. Certainly.

Dr. BOORSTIN. Then I would like to read an abbreviated version, Senator, if I may. It will save us time.

Senator D'AMATO. OK.

BUDGET REQUEST

Dr. BOORSTIN. Mr. Chairman, my colleagues and I are pleased to be here today to present the 1984 budget for the Library of Congress. I would like to begin with a note of optimism.

The Library of Congress can report that for the first time in many decades, we have most of our collections housed in excellent condition; our reading facilities in the Madison Building rival that of any nation in the world; our readers are abundant, and our scholars are prolific.

The Congress is using our Congressional Research Service more than ever before; the service is, we believe, better than ever before, and hence, the Congress, we believe, is better informed than ever. I am happy to report we have completed the gigantic task of the move to the James Madison Memorial Building.

As high technology has become a national concern or even an obsession, I am pleased to report that by carefully planned automation, we are now actually effecting savings.

To this rosy picture, I must add one significant qualification: The move from the original Library of Congress building, the Thomas Jefferson Building, gives us an opportunity unique in our history to restore and refurbish one of the great, if not the greatest, American architectural monuments of the 19th century.

The restoration of the original Library of Congress building is an extensive and challenging task, but one which we dare not evade. To do

so would leave one of our historic structures in a state of disrepair and misuse and allow its continued deterioration.

The funds for fulfilling our duty to the American past and to the future of our civilization are, as you know, in the supplemental budget request of the Architect of the Capitol.

The request before you today, in my opinion, is for an appropriation of \$231,257,000 which includes authority to obligate receipts of \$9.5 million for a net total request of \$221,757,000, a net increase of \$11,084,000, or 5.3 percent, over the level now forecast for 1983.

More than one-half of this small increase is to maintain the current level of operations and is due to mandatory increases and inflation.

We can report a number of significant reductions resulting from automation, from the completion of the move to the Madison Building and from planned economies which are summarized in my statement.

It is the mandated duty of the Library of Congress to increase the scope and the quality and quantity of our collections. Inevitably, this creates continuing needs for increased resources to handle growing collections and the growing demand on them, which, of course, we want to encourage. A national priority, and a problem for which there was no solution several years ago, is the preservation of the Library's collections.

DIETHYL ZINC PROCESS

The Congress provided funds in 1983 for the Library to proceed with the treatment of books with diethyl zinc in a vacuum chamber. A large-scale test on 5,000 books at the Goddard Space Flight Center has now confirmed our belief that the process patented by the Library of Congress would significantly retard the deterioration of paper.

The paper being produced today and used in books has an average life of 25 to 100 years. If our new technology is applied promptly to new paper, the life expectancy of our costly collection of books and periodicals can be extended to some 600 years.

This is perhaps the greatest extension into the longevity of the records of knowledge since the invention of movable type. It is our intention to apply this process to American imprints as they are received, thus assuring their availability for many centuries.

In order to achieve this long-term economy, we need a facility in which this process can be applied on a large scale, and we are requesting \$2.5 million for this program.

OPTICAL DISC STORAGE

High technology promises further advances for the preservation and storage of library materials. I am speaking of the storage of images and print on optical discs. We have begun an investigation of this new technology to ascertain whether printed and pictorial information can be stored and accessed successfully on optical discs using the laser.

We are requesting four positions in the Preservation Office and four in the Automated Systems Office to support a major test of the feasibility of this potential momentous resource.

CHINESE ACQUISITIONS

Of major significance to scholars, Government researchers, and Sinologists are our current acquisitions under exchange and purchase arrangements with the People's Republic of China. Our receipt of materials from the People's Republic of China doubled in 1982. There is no doubt of the special need of accurate, up-to-date information on an area likely to become more and more important for our national economy and in world affairs.

The Library of Congress is the primary resource in this country and perhaps the best outside of China for knowledge of the Chinese past and present.

Without cataloging control, these materials will remain inaccessible. We are, therefore, requesting 15 positions to catalog these materials and 15 positions to input these records, as well as Japanese and Korean, into our automated data base using the vernacular.

PERFORMING ARTS READING ROOM

The last major reading room to open in the Madison Building is the Performing Arts Reading Room. I invite you, Mr. Chairman, to visit this modern, electronically equipped facility which provides sound, listening, and viewing opportunities for our unequalled collections of music, of motion pictures, and recorded sound which has no parallel in any other library in the world.

We need additional staff to operate the sound and viewing stations, as well as to provide reference assistance. We are requesting seven positions for this purpose. For the Prints and Photographs Reading Room, we are requesting two additional positions.

Two positions are requested for our information counter in the Madison Building to provide information and sell Library publications to an ever-increasing number of visitors, and two positions for editorial and clerical support are requested for the American Folklife Center.

Finally, for the National Library Service for the Blind and Physically Handicapped, we are requesting an increase of \$2,137,000 and five new positions.

Mr. Gude will speak to the request of the Congressional Research Service.

In conclusion, Mr. Chairman, I would like to recall that in times of economy, we need more than ever to enrich and invigorate our resources of knowledge. The Library of Congress is dedicated to that enrichment and invigoration which has been made possible over the years by the continued and sympathetic support of the Congress.

Thank you, Mr. Chairman.

PREPARED STATEMENT

Senator D'AMATO. Thank you. We have received your formal statement and it will appear at this point in the hearing record.

[The statement follows:]

STATEMENT OF DANIEL J. BOORSTIN, LIBRARIAN OF CONGRESS

Mr. Chairman and Members of the Subcommittee: My colleagues and I are pleased to be here today to present the 1984 budget for the Library of Congress.

I would like to begin with a note of optimism. The Library of Congress can report that for the first time in many decades, we have most of our collections housed in excellent condition, our reading facilities in the Madison Building rival that of any nation in the world, our readers are abundant and our scholars are prolific. The Congress is using our Congressional Research Service more than ever before, the service is, we believe, better than it has ever been, and hence the Congress, we are confident is better informed than ever. I am happy to report that we have completed the gigantic task of the move to the James Madison Memorial Building. This entailed more than 56 million items and 3,400 staff members. As high technology has become a national concern or even an obsession, I am pleased to report that by carefully planned use of automation, we are actually effecting savings.

To this rosy picture I must add one significant qualification, the move from the original Library of Congress Building -- the Thomas Jefferson Building -- of the offices and services for which it was never designed gives us an opportunity unique in our history to restore and refurbish one of the great, if not the greatest, American architectural monuments of the nineteenth century. At the same time we can set an example to the world of learning. The Library of Congress is the only institution anywhere which brings together the comprehensive records of civilization in all media, including the latest. Restoration of the original Thomas Jefferson Building will, among its other benefits, create a new kind of "reading room" adapted to the needs and opportunities of the late twentieth century. This new-style reading room focused on a civilization or a discipline will provide access to all the media -- print, microform, photographs, musical collections, and video discs -- for scholars and members of Congress. The restoration of the original Library of Congress Building is an extensive and challenging task, but one which we dare not evade. To do so would leave one of our historic structures in a state of disrepair and misuse, and allow its continuing

deterioration. The funds for fulfilling our duty to the American past and to the future of our civilization are, as you know, in the supplemental budget requests of the Architect of the Capitol.

The request before you today is for an appropriation of \$231,257,000 which includes authority to obligate receipts of \$9,500,000 for a net total request of \$221,757,000, a net increase of \$11,084,000 or 5.3 percent over the level now forecast for 1983. Although our request reflects an increase over the 1983 level, more than one half of this small increase is to maintain the current level of operations and is due to mandatory increases and inflation.

At the same time we can report a number of significant reductions resulting from automation, from the completion of the move to the Madison Building and from planned economies. I will summarize these briefly.

The Processing Services Department is able to reduce 19 positions under the preparation of books program as a result of using automation to prepare our book catalogs to be published in microfilm. With the inauguration of the automated copyright cataloging information program, 12 positions can be abolished in the Copyright Office.

Under the program for the Cataloging Distribution Service, we are reducing our request by \$2,414,200 of which \$2,200,000 is from the sales activity, thus a net reduction of \$214,200.

Under Research Services, there is a reduction of 20 indefinite positions which were allowed for a five-year period to complete the move to the Madison Building.

Recognizing the urgent need for further economies, we have made every effort to increase productivity and reduce costs. For example, within the last three years, the Copyright Office workload has increased 15 percent with a five percent reduction in sums available from appropriations. Nearly one-third of the cost of operating the Copyright Office is covered by user fees. The \$5,200,000 forecast as income to be used is limited by a current statutory ceiling of a \$10 filing fee for copyright. Congress may want to consider increasing this fee to reduce the cost of the Copyright Office to the government. As a result of careful monitoring and better management controls, we are requesting no increases for postage or long distance telephone costs.

It is the mandated duty of the Library of Congress to increase the scope and quality and quantity of our collections. Inevitably, this creates continuing needs for increased resources to handle the growing collections and the growing demand on them, which, of course, we want to encourage. A national priority -- and a problem for which there was no solution several years ago -- is the preservation of the Library's collections. Congress provided funds in 1983 for the Library to proceed with the treatment of books with diethyl zinc in a vacuum chamber. A large scale test on 5,000 books at the Goddard Space Flight Center has now confirmed our belief that the process patented by the Library of Congress would significantly retard the deterioration of paper.

The paper being produced today and used in books has an average life of 25 to 100 years. If our new technology is applied promptly to new paper, the life expectancy of our costly collection of books and periodicals can be extended to some 600 years. This is perhaps the greatest extension in the longevity of the records of knowledge since the invention of movable type. It is our intention to apply this process to American imprints as they are received, thus assuring their availability for many centuries. In order to achieve this long-term economy, we need a facility in which this process can be applied on a large scale and we are requesting \$2,500,000 for this purpose.

High technology promises further advances for the preservation and storage of library materials. I am speaking of the storage of images and print on optical discs. We have begun an investigation of this new technology to ascertain whether printed and pictorial information can be stored and accessed successfully on optical discs using the laser. We are requesting four positions in the Preservation Office and four in the Automated Systems Office to support a major test of the feasibility of this potentially momentous new resource. The discs could make every item more readily available to our readers, would reduce the wear and tear on materials in use, and could revolutionize the operation and the effectiveness of the libraries of our country.

Of major significance to scholars, government researchers, and Sinologists are our current acquisitions under exchange and purchase arrangements with the People's Republic of China. Our receipt of materials from the People's Republic of China doubled in 1982. There is no doubt of the special

need for accurate, up-to-date information on an area likely to become more and more important for our national economy and in world affairs. The Library of Congress is the primary resource in this country and perhaps the best outside of China for knowledge of the Chinese past and present. Without cataloging control, these materials will remain inaccessible. We are, therefore, requesting 15 positions to catalog these materials and 15 positions to input these records as well as Japanese and Korean into our automated data base using the vernacular.

The last major reading room to open in the Madison Building is the Performing Arts Reading Room. I invite you to visit this modern electronically equipped facility which provides sound, listening, and viewing opportunities for our unequalled collections of music, of motion pictures and recorded sound. After many years of crowding, we can now in the Madison Building use remote transmissions to serve these materials to our readers, listeners, and viewers. But we need additional staff to operate the sound and viewing stations, as well as to provide reference assistance. We are requesting seven positions for this purpose. For the Prints and Photographs Reading Room we are requesting two additional positions.

Two positions are requested for an Information Counter in the Madison Building to provide information and to sell Library publications to an ever-increasing number of visitors, and two positions for editorial and clerical support are requested for the American Folklife Center.

Finally, for the National Library Service for the Blind and Physically Handicapped, we are requesting an increase of \$2,137,000, and five additional positions. As you know, we have not requested increases for this program over the last two years, but in order to maintain the program at the 1983 level, we need these additional resources.

Mr. Cude will speak to the requests for the Congressional Research Service.

In conclusion, I would like to recall that in times of economy, we need more than ever to enrich and invigorate our resources of knowledge. The Library of Congress is dedicated to that enrichment and invigoration which has been made possible by the continued and sympathetic support of the Congress. We are here to answer any questions you may have.

CATALOG CARD SALE REDUCTIONS

Senator D'AMATO. Who would like to proceed next?

Any other statements?

Dr. BOORSTIN. I think that would suffice for our statement, and we would be glad to answer any questions you may have, Mr. Chairman.

Senator D'AMATO. Dr. Boorstin, why do you estimate that the collections from the Library Card Catalog sales will decrease by one-third in fiscal year 1984?

Dr. BOORSTIN. May I ask Mr. Welsh to speak to that, Mr. Chairman?

I might introduce, if I may, Mr. Chairman, the Deputy Librarian of Congress, Mr. Welsh, and the Associate Librarian of Congress, Mr. Curran.

Mr. WELSH. The reduction in sales began in 1969, and the reason for this is primarily automation. The Ohio College Library Center, based in Ohio, now provides catalog copy automatically to many of the libraries that the Library of Congress at one time serviced.

We view this as very good. The Library of Congress cataloging on magnetic tape is sent to the Ohio College Library Center, so we continue to supply the cataloging data, but not the cataloging cards themselves.

NEW POSITIONS REQUESTED

Senator D'AMATO. In your request for 30 new positions related to the acquisition of Chinese, Japanese, and Korean material, are these positions to be on a permanent basis, or is it on a temporary basis? Also, is language experience required for all of these positions?

Mr. WELSH. Yes, sir, we are asking for those on a permanent basis, and language experience is required, especially in the cataloging job. The descriptive cataloger must be fluent in the language as well as a trained cataloger.

This is as the result of acquiring additional materials from the PRC, at least an increase of 8,000 volumes a year on a base of 20,000 titles backlogged.

We are talking about 28,000 titles received in those languages.

Senator D'AMATO. The 8,000 is just the increase; is that correct?

Mr. WELSH. That is the increase.

Senator D'AMATO. Are you saying you have a backlog?

Mr. WELSH. We have an existing workload of 20,000 titles. We do not have a staff to do the 20,000 titles that must be input into this new system, as well as the 8,000 we will receive during the year.

Senator D'AMATO. That would work out to roughly two books per day for each cataloger; is that right?

Mr. WELSH. The descriptive cataloger, on the average, in this area, can do about 1,000 books per year.

Senator D'AMATO. That would be four a day?

Mr. WELSH. Yes.

Senator D'AMATO. Is that what you believe these people will be able to do?

Mr. WELSH. Yes.

Senator D'AMATO. How does this compare with other acquisitions programs? Is it at the same level?

Mr. WELSH. Yes, sir. With respect to transmitting or converting this information into magnetic tape form, this will be the last of the languages to be done. The French and English and German and all other languages have already been put into this format. We need these 15 persons to do that particular job.

PERFORMING ARTS READING ROOM STAFF

Senator D'AMATO. And you have requested seven new positions to staff the Performing Arts Reading Room.

What hours is the reading room open now for the public, and does the public now use the video and audio materials?

Mr. WELSH. Yes. May I ask Dr. Broderick to respond?

Mr. BRODERICK. The room is open from 8:30 to 5 Monday through Saturday. The listening service for recordings is available by appointment only from 9 to 12 Monday through Friday at present. We expect to expand that in the very near future to Saturday morning service and some additional weekday service, as well.

The service of the video in that room has not been initiated yet because we are still in the shakedown phase of getting some of the equipment installed.

Senator D'AMATO. Now, if those seven new positions are agreed to, what do you contemplate the hours will be?

Mr. BRODERICK. The hours would be the same; that is, 8:30 to 5, Monday through Saturday.

Senator D'AMATO. No Sunday?

Mr. BRODERICK. No Sunday service. What these positions would enable us to do would be to expand the listening and viewing service within the room. The room is a multipurpose room. A number of the materials served there would be books and manuscripts pertaining to music, and at all of the hours of service, people would be able to use that kind of material.

But, at present, we have to limit the service of recorded and video material to the special stations of the special rooms.

Senator D'AMATO. When do you believe the video will commence?

Mr. BRODERICK. This fiscal year.

Senator D'AMATO. What if you don't get the seven positions?

Mr. BRODERICK. Well, if we don't get—

Senator D'AMATO. Will the video commence?

Mr. BRODERICK [continuing]. We will be able to provide some video service without these additional positions, but we won't be able to expand the hours of listening service.

In other words, the video service would be subject to the same limitations that the listening service is now. However, only three of the seven positions requested relate to the expansion of listening service. The four positions for the Music Division are necessary to maintain current hours of service.

LAW LIBRARY

Senator D'AMATO. Thank you.

The committee has received a letter from the American Bar Association objecting to the fact that there is no longer a line item appropriation for the purchase of law books.

The question is, who determines the law library's allocation, and is the law librarian dissatisfied with the amount set aside each year for the purchase of law books?

I will put it in a more diplomatic term: Does he feel that that is adequate to meet the needs of the library?

Mr. WELSH. May I begin and then refer the question to Mr. Kenyon, who is the Law Librarian?

Senator D'AMATO. You can plead the fifth, also, Carleton. [Laughter.]

Mr. WELSH. This language change was directed by the House Appropriations Committee. We do not see that it serves any useful purpose to have this distinction in book purchase funds. We do not intend, however, to shift the moneys about. The amount in the allotment for the law library remains the same, and it will be increased or augmented by whatever the committee determines it should be.

Senator D'AMATO. Obviously, you have no problem with that?

Mr. KENYON. There has been no practical effect so far. The only problem that I can see is that I don't know in the future what might happen, whether this is going to impair our funds or not.

Senator D'AMATO. You mean because the funding for the law library may be lost in the totality of the entire budget, consequently it might be more difficult for you to maintain your levels of funding?

Mr. KENYON. That is true.

Mr. WELSH. Mr. Chairman, that is clearly not our intention.

Senator D'AMATO. I am not suggesting that it is.

Mr. KENYON. In 1978, this was consolidated and was taken out; books for the law library have always been a separate appropriation since 1832.

Now, we have come to another accounting feature of this, but the next step could be merged with the general fund.

Senator D'AMATO. When was this taken out, 1978?

Mr. KENYON. Fiscal year 1978, it was consolidated.

Senator D'AMATO. Well, in fairness, though, to what is the history and what has taken place since then, you have not to date experienced any difficulty?

Mr. KENYON. Not to date have we experienced any problem.

Senator D'AMATO. I think the record should indicate that.

Thank you.

Mr. WELSH. Thank you.

SPECIAL FOREIGN CURRENCY PROGRAM

Senator D'AMATO. I understand that the United States holding of Indian rupees which finances our acquisition program in India are rapidly dwindling.

What are our plans for this program after these funds are depleted?

Dr. BOORSTIN. Mr. Chairman, I would like to ask Mr. Curran to speak to that.

Mr. CURRAN. We anticipate that the surplus currency in Indian rupees will continue. Certainly in the budget year at hand, 1984, we do not anticipate any difficulty.

In 1985, there is some possibility of diminishment. The issue here is whether or not the United States will continue to spend out the remaining balance or whether, as a matter of policy in the executive branch, certain decisions are made to invest these in other ways. So that if they spend out the remaining balance, they will probably last through 1985, 1986, 1987.

If decisions are made to invest these and thereby generate some income from the investment—but, of course, there will be a lesser amount for current expenses—then probably in the 1985, 1986 time frame we would be seeking to continue the program on a dollar basis rather than a rupee basis, but at a much reduced dollar basis compared to what we now have in the rupee program. We would reduce the program level accordingly.

Certainly, that would not occur in 1984 and possibly not in 1985.

I would guess, at this point, that in 1986 or 1987, it is most likely.

GIFT POLICIES

Senator D'AMATO. The Smithsonian has come under attack in the press recently for the handling of gifts and bequests to the institution. Two specific criticisms leveled were that the bequest restrictions were ignored, leading to the sale and bartering of items donated, and that inflated appraisals were given, leading to improper tax deductions.

The Library is also the recipient of bequests. Can you assure us that the Library's policy regarding gifts and bequests will not bring about criticism?

Specifically, what steps are you following in regard to this?

Dr. BOORSTIN. Mr. Chairman, I am glad you asked that question.

We have had a policy of scrupulous adherence to the conditions of gifts given to the Library of Congress. Many of the gifts that we receive do have conditions attached. We have been very careful. I can give you one example: We received a gift from Mrs. Gertrude Clarke Whittall of Stradivarius Violins which had conditions attached to it that the violins should be used only in the Library of Congress building and that they should never leave the building except for repairs.

We have had numerous requests to allow them to go out to be played in various places. We have refused those requests and have allowed them to leave the building only for repairs.

We have, to my knowledge, never violated a condition of a bequest, and it is our firm intention to continue that policy because that is the way in which we persuade people to make gifts to us when they know that we will adhere to their conditions of gift.

With respect to the tax matter, I might ask Mr. Curran to comment on procedures in that respect.

Senator D'AMATO. OK.

Mr. CURRAN. The Library's practice, essentially, I can talk about appraisals. The Library does not appraise prospective gifts. It does, however, evaluate the fair market value of gifts, if asked, when they are given to us.

We have a regulation which specifies exactly how that is to be done. It is a committee approach. There are certain persons, an evaluation's officer, the division chief concerned with the gift, and the Director of Collections Development who meet and assign a reasonable fair market value for it.

If it is above a certain amount of money, \$10,000, it would come to me for approval. So there is a committee approval process, and we evaluate gifts that are given to us in terms of fair market value.

Senator D'AMATO. Do you set any appraisals? Do you give, for example, to the donor an estimate in terms of the value of that gift that then can be used for tax purposes?

Mr. CURRAN. It is up to the person. The donors are to make their own appraisals with the Internal Revenue Service; for example, in matters of tax. But we will give an advisory opinion. We will determine what we believe is the fair market value of a gift that we receive. It is a process I just described.

Dr. BOORSTIN. Let me emphasize one point, that these are given only after the gift is given, Mr. Chairman, not in advance.

Senator D'AMATO. Yes. In other words, the appraisals or the estimate with respect to the value is not given prior to the gift actually being received?

Dr. BOORSTIN. That is correct.

Senator D'AMATO. Then at that point, totally independent, a committee evaluates and makes a fair market judgment with respect to the value; is that correct?

Dr. BOORSTIN. Right.

Mr. CURRAN. That is correct, sir.

Senator D'AMATO. So no one calls you up and says, "I have got a painting. Take a look at it. Do you want this painting and what will you give us in terms of an appraisal?"

Dr. BOORSTIN. Mr. Chairman, I have had that very request, which I have refused.

Senator D'AMATO. Good. I have some papers.

Thank you, very much.

LIBRARY RENOVATION

Doctor, I am going to submit several questions to you for the record in regard to the renovation of the Library, because I think that might give you a little more time.

They are the kinds of questions that, really, you need to answer with some specificity so that we can review that matter. Obviously, given the history of some of our Capitol construction, calls for reconstruction will be rather controversial. So I think we would do the process an injustice if we just left it to dialog between the committee and yourselves rather than to have the answers to some more detailed questions.

Dr. BOORSTIN. We would be glad to do that, Mr. Chairman. Thank you.

CONGRESSIONAL RESEARCH SERVICE

Senator D'AMATO. Mr. Gude?

Mr. GUDE. Thank you, Mr. Chairman.

I have a statement submitted, and I will just take several excerpts because of the time limitations.

Our CRS is a mature organization, really started as the Library in 1800. We are rich in history and institutional memory, and we have grown. We are now mandated by the Congress to provide research, reference, and analytic support to all the Members and all the committees and all the staff. Since we are required to respond to all congressional community queries, there are only a few exceptions spelled out by our oversight committee guidelines. We always have a pretty full plate.

Each year, our workload increases at a rate which exceeds our expectation, and last year was no exception. In fiscal 1983, our workload increased by 15.5 percent and reached an all-time high of more than 430,000 inquiries, close to about 2,000 a day.

Little of this, maybe about 5 percent, is self-generated, and even when we develop material which anticipates legislative activity, that material is not sent to the Congress unless they request it.

Since 1975, our workload has increased 76 percent, and our staff has increased during this period only a little more than 20 percent.

Second, I think it is very important to note, Mr. Chairman, that our workload—and we have monitored this very carefully—has spread across the congressional community in an extraordinarily uniform matter.

Democrats, Republicans, member officers, committees, urban representatives, rural representatives, all use our resources more or less in proportion to their legislative needs on the Hill and the demand and needs of their particular constituents.

The third point I would like to make, Mr. Chairman, is that in the public policy information research and analysis business, despite the significant advances in data collection and retrieval tools and the computer age, it still is very much a people business, and fully 84 percent of our funding is spent on salaries.

We are a labor intensive organization.

At the same time, despite the expertise and the extreme value of our researchers in their particular field, we have the flexibility to react quickly to fast-breaking issues; to mix skills effectively; to put together interdisciplinary teams.

Our subject area researchers, even our senior specialists, are able to prepare issue briefs and reports which are available to all the Members. While their expertise might be concentrated in helping one Member explore an option in depth or a committee request in great detail, still, they can share this expertise across the board with all the Members.

A good example of this, I think, is our issue brief which was prepared in December 1982, "Highway and Transit Infrastructure: Repair Status and Prospects."

The author of this issue brief is the one who updates it and keeps it current. We not only have the date originated on our issue brief, but also the update, and this was most recently updated in February or March of this year, March 7, 1983.

You will notice, also, Mr. Chairman—and I think this speaks to the people part of our organization—that everything we send to Congress has the author's name on it, regardless of whether it is a clipping, assembling of reference material, or a research project that goes into 50 pages.

Mr. Chairman, we have two aspects of our organization which I have mentioned, but I think I would be derelict not to reemphasize them: Our priority efforts are always geared to meeting the demands of legislative timetables, and requesters can get the results of our collective analytical efforts within weeks, not years.

We are mandated to provide timeliness, and I think this is one of the significant areas between what we are required to do and our sister agencies.

Also, we operate on a confidential basis. What we do individually for a particular Member or a particular committee is for that Member or committee unless they choose otherwise.

We are asking for additional staff, Mr. Chairman, to sharpen our expertise, our ability to work in the subject areas that are so important to Congress, which are growing in complexity and in intensity.

With that, Mr. Chairman, I will only say that I, as well as CRS, am at your service.

PREPARED STATEMENT

I would also like, at this time, to submit our formal prepared statement which will permit you to view our operation in much greater detail.

[The statement follows:]

STATEMENT OF GILBERT GUDE, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

Mr. Chairman, I am delighted to be here today to outline last year's activities and detail fiscal year 1984 resource requests for the Congressional Research Service. CRS is a mature organization, rich in history and institutional memory. Our research and reference capabilities are quite awesome -- some say unique -- and they are exceeded only by our commitment to effectively serve the congressional community. When I say I could talk about CRS for hours I mean that literally. In the interest of saving time, however, I will limit my statement this morning and focus on why we need the fiscal year 1984 resources we say we need. I will be brief.

First, we are mandated by the Congress to provide research, reference and analytical support to all Members, all committees and all staff. Since we are required to respond to all congressional community queries -- there are a few exceptions spelled out by our oversight committee guidelines -- that means we always have a full plate. Each year our workload increases at a rate which exceeds our expectations and last year was no exception. In FY 1983 our workload increased by 15.5 percent and reached an all-time high of 430,000 queries -- close to 2,000 per workday. Little of this, maybe 2 percent, is self-generated and even when we develop materials which anticipate legislative activity, that material is not sent to the Congress unless they request it.

Since 1975, our workload has increased 76 percent. CRS staff increase during this same period totalled 20.8 percent.

Second, it is important to note that this workload is spread across the congressional community in an extraordinarily uniform manner. Democrats, Republicans, Member offices, committees, liberals, conservatives, urban representatives and rural representatives -- all use our resources in more or less proportion to their legislative needs on the Hill and the demands and needs of their particular constituencies. This is not only a sign that our capabilities are well known, but it is, it seems to me, a recognition that we are living up to our mandate to provide unbiased, nonpartisan and accurate information. If we were not, there would be discernable gaps in the categories of those who utilize our services.

Third, the public policy information, research and analysis business -- despite significant advances in data collection and retrieval tools -- remains very much a people business. We are, therefore, because it is intrinsic to our work, a labor intensive organization. Fully 84 percent of our funding is spent on salaries. Competent staff -- professional, committed staff -- is the most important element in the formulation of sound public policy. Not only is each individual important, of equal importance is the question of the structure of the organization which employs them. Does the organization have sufficient flexibility to react quickly to fast breaking issues, to mix skills effectively, or cross-pollinate centers of expertise when issues are of such complexity as to require a careful blending of individual talents? In this context, I think it is safe to say that few organizations rival CRS. Our interdisciplinary teams -- 13 regular teams and 340 temporary teams -- are composed of individual analysts from our reference division, library services division and seven research divisions; when these teams focus on a given public policy issue, infrastructure for example, the sum of their "collective wisdom" is greater than its parts. And because CRS' priority efforts are always geared to meeting the demands of legislative timetables, requesters can get the results of collective analytical efforts within weeks, not years. In this connection, Mr. Chairman, I might point out that this matter of timeliness or quickness of response is a significant area of difference between CRS and its sister agencies. When one adds to this our requirement to operate on the basis of confidentiality, it is clear that opportunities for CRS to unnecessarily duplicate the work of the other agencies, or vice versa, are quite minimal.

I hope what I have been describing, Mr. Chairman, makes a good case for understanding and support of our need for additional staff in the FY 1984 budget submission. It is not merely a question of increased workload; additional staff is needed to strengthen our existing coverage of subject areas currently enjoying heavy Hill interest and to minimize gaps in our range of area expertise caused by resignations and retirements. Examples of these areas are: environmental protection -- most notably such issues as acid rain; foreign policy issues, such as crisis management in the State

Department; education -- where such issues as tuition tax credits and science education efforts are of increasing concern to Congress; and immigration policy. My statement for the record expands on the substantive ongoing work which we are doing in these areas and, most importantly, our staff's institutional memory expertise which makes possible CRS' in-depth subject area support of Congress. Yes, we can put more travel monies to good use and could well use additional contract funds and equipment monies; the need for increased funding in our non-personal services area is genuine. But we are not asking for any of these. This year, our overriding need is for additional staff -- to maintain our quality, to stay on top of our workload increase, to provide the level of support the Congress has a right to expect.

Mr. Chairman, that is the end of my prepared statement. For the record I have submitted some background information on recent CRS innovations to improve productivity, on the Congress' need for institutional memory, and on the importance of timeliness in the legislative context. I would be delighted to describe our resource requests, products or management objectives in detail or to show off some of our more recent advances in productivity and quality improvement. I am, as is CRS, at your service.

IMPROVED PRODUCTIVITY:
CRS INNOVATIONS SINCE FY 1980

1. Info Packs -- These are kits of prepared materials, selected by our reference staff, which address specific topic areas. Over 135 topics are covered by these kits. The Info Pack contains information products selected from CRS and non-CRS sources to provide the background of the issue in a balanced and objective manner. As with all our materials, the Info Packs are updated as events warrant.

Info Packs are available in Information Distribution Centers in the Russell and Madison Buildings on a "do-it-yourself basis". In fiscal year 1983, more than 20,000 staffers took some 140,000 Info Packs from the two IDC's.

2. Electronic Mail -- In FY 1983, working closely with the House Information Systems Office, CRS experimented with an "electronic mail" system designed to speed the flow of requests from congressional offices to CRS. The

system is now operational and available to all Members. It links a number of District and Washington Offices directly to the CRS Inquiry Unit, thereby speeding the movement of queries, particularly from the more remote District Offices. To date, more than 200 Offices have the electronic mail system capability.

3. Reference Centers -- Each of the CRS reference centers, located in the Rayburn, House Annex, Russell, and Longworth Buildings have been configured over the past three years to facilitate staff access and speed up the distribution of CRS materials. Layouts were carefully examined, traffic patterns were analyzed and the resultant changes in furniture placement, shelving and machine locations have made it easier and faster for Hill staff to obtain information from these Centers.
4. FOCUS -- This is a simple device to call staff attention to CRS products on a given issue. Small posters (14" x 18") which list CRS' more recent information material on issues that are legislatively "hot" are prominently displayed in all the Reference Centers. The FOCUS on Social Programs and the 1984 Budget, for example, listed 24 CRS Issue Briefs in the general area of Education, Income Security, Social Services and Training, and Veterans Affairs which, together, provides a comprehensive overview of the Social Program subject area. The FOCUS posters have done a great deal to obviate the often asked question: "what have you got on ...?" and helped staff zero in on precisely what they might be looking for.

INSTITUTIONAL MEMORY

One of the more important -- though often overlooked -- functions that our professional staff is increasingly asked to perform is that of providing an "institutional memory" in the legislative process. Congress, by its very nature, is an institution in transition -- externally, because of the electoral process through which its Members are selected and internally, because of the ways in which it organizes and goes about the business of legislating. For many years, the executive branch served to provide the continuity on which Congress depended for an understanding of an experience with various national policy issues. However, during the last decade or more, the executive branch, too, had experienced

serious losses of its personnel familiar with the history and purposes of past congressional consideration of important policy and program matters.

As a former Member and as the Director of CRS, I have become very much aware of the importance of the CRS professionals who, because of their actual experience in the legislative branch and their understanding of the needs of the Congress, can serve as a valuable resource to Congress.

By way of illustration, let me cite briefly the kind of role that Mr. Glenn Markus of our Education and Public Welfare has played in this regard. Mr. Markus is our Specialist in Health Care Finance, particularly concerned with health care reimbursement policies and cost containment issues. Mr. Markus joined Legislative Reference Service (the predecessor of CRS) in March of 1967 because of the increasing demand from Congress for research and analytical support from someone familiar with the intricacies of health care financing matters -- particularly in connection with the then newly enacted Medicare and Medicaid programs. Before joining LRS, Mr. Markus had served in a staff capacity with the Social Security Administration's newly-created Bureau of Health Insurance in the development of such policies for the Government health care programs. Since 1967, Mr. Markus has been repeatedly called upon by Members of Congress and by the committees that have legislative responsibility for such programs to assist during the legislative process. Most recently, Mr. Markus was called upon to help in the work of Congress relating to major changes in the way in which hospitals are paid under the Medicare program. In a recent letter, the Chairman of the Senate Committee on Finance observed, "Your cooperation and expertise were invaluable to the Finance Committee in helping to enact major reform of the medicare program -- i.e., prospective payment to hospitals. The professional commitment your work demonstrated is particularly notable in light of the long and unusual hours demanded by the legislative schedule. I hope the Finance Committee will have further opportunity to benefit from your knowledge and assistance in the future."

There are many other examples of this type of CRS institutional memory.

CRS analysts have been writing the revised and Annotated U.S. Constitution since 1936. Johnny Killian, who joined CRS in 1963 and is

now a Senior Specialist (in Constitutional Law) headed the writing effort of the 1972 document. He is currently at work on the 1982 version.

Betty Yadlosky, our Associate Director for Research, Analysis, and Multidisciplinary Programs and Senior Specialist in American Public Law, specializes in election law. She first worked on the Senate Election Law Guidebook in 1966, and has been involved in this and similar election law studies ever since.

Joyce Viallet, our lead analyst in immigration, joined the Congressional Research Service in 1965. Mrs. Viallet has worked with the Congress and particularly the Senate and House Judiciary Immigration Subcommittees on the major issues in the area, ranging from the admission of immigrants and refugees to the regulation of the entry of foreign medical graduates. Perhaps most significantly, Mrs. Viallet has worked with the Congress over the past 12 years on what remains the key issue today, the control of illegal immigration. Her work in the early and mid-1970's helped define this issue. More recently, at the request of the Senate Judiciary Committee, she prepared committee prints for use by the Select Commission on Immigration and Refugee Policy on alien temporary workers and on the development of immigration law and policy since 1952. Together with her colleagues, she is currently assisting the Congress in the processing of the Simpson-Mazzoli Immigration Reform and Control Bill.

Dr. John Hardt, Associate Director for the Office of Senior Specialist and Senior Specialist in Soviet Economics has, since 1959, been a principal author of a series of studies on the Soviet Economy for the Joint Economic Committee. Dr. Hardt has recently been selected to become a member of the Council on Foreign Policy.

LEGISLATIVE CONTEXT: TIMELINESS

There are any number of ways to measure the utility of CRS' information products but the most important yardstick is ... how well does the product provide information in a legislative context? I thought it might be useful therefore to cite several examples of how our analysts, because they are so tuned to the needs of the Congress, provide information in a legislatively timely fashion.

President Reagan's FY 1984 budget proposal and the congressional budget process itself are quite naturally the subject of intense congressional interest. Based on our past experience, we scheduled six budget-related seminars in January, February and March. One event was a Member dinner, held in January, where three nationally recognized experts discussed the President's budget proposal before an audience of 29 Members of Congress. Five of the budget seminars were for staff and they attracted over 300 participants. Information provided at these events was particularly timely for new staff of the new Congress.

One topic which generated a great deal of controversy last year was the natural gas issue. Joe Riva, an analyst in our Science Policy Research Division, has been tracking this issue for years. Last year, in addition to his work in other topic areas, Mr. Riva wrote or coauthored three significant documents on oil and gas exploration and production. He is currently working on a paper which projects the gas production of the contiguous 48 states, to the year 2,000; this paper is scheduled to be published by OTA along with their U.S. Natural Gas Study.

~~During the past year we have been heavily involved in supporting~~ congressional inquiry into the acid rain issue. In addition to providing a general overview of the problem through our Issue Brief, we have produced many reports on the subject, have appeared as witnesses in a "technical inquiry" before the Senate Environment and Public Works Committee, and have published two journal articles on the subject. Perhaps most notable among our recent written products on the subject is a study by Dr. Larry Parker, "Distributing Acid Rain Mitigation Costs: Analysis of a 3-Mill User Fee on Fossil Fuel Electricity Generation." This study indicates that imposition of such a fee over a 12 year period could easily pay for installation of technology to control acid rain precursors. The work described above naturally has led to close involvement with several congressional committees, notably the Energy and Commerce and Science and Technology Committees of the House, and the Senate Environment and Public Works and Governmental Affairs Committees. Continued heavy support in the issue area is anticipated as Congress deliberates on this subject.

Another topic of considerable congressional interest this past year was the whole question of the status of our nation's infrastructure, particularly in the area of highway and mass transit. Last year our analysts produced two rather extensive Issue Briefs on mass transit. One of them, "Highway and Transit Infrastructure: Repair Status and Prospects," was originated December 1, 1982 and has been continuously updated. In addition, CRS produced three reports on varying aspects of the national transportation system -- the most recent of which, "The Federal Public Transportation Acts of 1982: Provisions and Analysis," was completed just a few weeks ago.

NEW POSITIONS REQUESTED

Senator D'AMATO. Let me ask you, Mr. Gude.

You have requested 30 new positions for CRS for fiscal year 1984. Which of these positions would you classify as being priorities, and what are some of the areas that you would assign them to specifically as to specific needs?

Mr. GUDE. They are all priority, Mr. Chairman. There are some that we would list first. We can give you a list of 10 or 11. Susan Finsen, my executive officer, has some.

Senator D'AMATO. I think that might be wise, to spell out those areas in which you think the greatest need arises and tell me.

What is your total staff?

Mr. GUDE. 850.

Senator D'AMATO. 850?

Ms. FINSEN. Yes.

[The information follows:]

While all of the positions requested for fiscal year 1984 are needed to meet our growing workload of congressional requests, the following 11 are our highest priority at this time. They are arranged by division:

American Law Division: GS-9, paralegal assistant; and GS-14, legislative attorney.

Education and Public Welfare Division: GS-5, analyst in social legislation (human resource programs); GS-12, analyst in social legislation (methodology); and GS-15, specialist in education.

Government Division: GS-11, analyst in American national government (crime).

Library Services Division: GS-9, bibliographer; and GS-6, serials accessioner.

Automated Information Services: GS-11, computer systems analyst (image processing).

Science Policy Research Division: GS-11, analyst in materials sciences; and GS-15, specialist in information and telecommunications technology policy.

COOPERATION WITH OTA, CBO, AND GAO

Senator D'AMATO. Your cooperation in responding to the concerns of the subcommittee in developing new procedures to avoid duplication among the congressional support agencies is obviously something that this committee is interested in. I am wondering if you could indicate just when you expect these procedures to be implemented and have you had any problems in developing them along the way?

Mr. GUDE. No, indeed, Mr. Chairman. We work very closely with OTA, CBO, and GAO. We already have underway a slide show which is one of the recommendations to keep our staffs informed and apprised of the guidelines, Mr. Chairman, particularly the Congressional Research Service. We have all of the Congress as our clientele, and the other agencies have a smaller clientele. The nature of our work is such that the only area in which duplicative work may come about would be in in-depth research projects, and we have our research notification system, which involves a network of our people with the people in the other agencies.

I think we are doing a good job in that area, and we will continue to. Senator D'AMATO. OK.

SUBMITTED QUESTIONS

I thank you, very much, and Doctor, we will get you those questions.

Dr. BOORSTIN. Yes, sir.

Thank you, Mr. Chairman.

Senator D'AMATO. Thank you.

We will take a 5-minute recess.

[A brief recess was taken.]

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

General

Question: You are requesting 30 new positions related to the acquisition of Chinese, Japanese, and Korean materials. Please explain the new acquisitions agreement which is bringing these new materials to the Library. What staff is already working on cataloging these materials? Is language experience required for all of these positions? On the basis of 250 working days a year, and 8,000 acquisitions a year, this amounts to about 2 books cataloged per day per employee. How does this compare to other acquisition programs?

Answer: The biggest gain in Chinese, Japanese, and Korean materials has been the upsurge of materials received after relations with the People's Republic of China (PRC) were normalized. President Nixon's trip to China in 1972 opened up a modest exchange of gifts from the PRC. These gifts increased gradually until 1979 when the Implementing Accord for Cultural Exchange was signed by Vice President Walter Mondale and Vice Premier Deng Xiaoping in Peking. In 1980, U.S. Federal documents were shipped to the PRC and the Library received its first return shipment (of 13,000 pieces) in December 1981. Exchange receipts rose from 0 in 1971 to 24,000 in 1982. In FY 1983, exchange receipts are projected to continue at slightly lower than the FY 1982 level. This is the beginning of the usual "levelling off" which naturally occurs after an official exchange is enhanced initially by sendings which "catch up" for the years when no exchange was in effect.

Purchased materials from the PRC have also risen in the years since normalization. Political changes in China have resulted in an increased publishing output as restrictions on literary expression have been lifted. New sources of purchased materials have opened in mainland China to augment dealers in Hong Kong and Taiwan who supplied difficult-to-obtain Chinese materials in the past.

Analysis of receipts of PRC Chinese materials from both exchange and purchase sources shows a certain amount of duplication. The Library has begun an interdepartmental effort to reduce the duplication by refining purchase specifications. This effort, combined with the natural levelling off of the exchange receipts, is expected to lead to a level of acquisitions from the PRC which translates into 8,000 additional titles per year for cataloging.

The following chart graphically shows the exchange and purchase receipts for Chinese materials:

Chinese Receipts
in Pieces

	FY 1981 <u>Actual</u>		FY 1982 <u>Actual</u>		FY 1983 <u>Projected</u>	
	Exchange	Purchase Total	Exchange	Purchase Total	Exchange	Purchase Total
PRC	3,886	3,316 7,202	23,920	7,718 31,638	19,600	6,700 26,300
Republic of China	6,334	4,829 11,163	6,590	3,373 9,963	5,800	4,275 10,075
Hong Kong	---	1,557 1,557	---	1,032 1,032	---	1,025 1,025
Totals	10,220	9,702 19,922	30,510	12,123 42,633	25,400	12,000 37,400

The following chart gives the total number of catalogers (i.e., preliminary, descriptive, and subject catalogers) and shelflisters currently budgeted. In addition, the number of pieces cataloged at each stage in FY 1982 is given.

	No. of Positions	FY 1982 Production
Preliminary catalogers	82	160,513
Descriptive catalogers (including serials)	248	167,140
Post-catalogers (CIP)	6	18,635
Dewey Decimal catalogers	12	101,291
Subject catalogers	61	158,020
Shelflisters	38	146,879
Total positions	447	

As indicated above, the cataloging process is made up of several stages with cataloged items being handled by staff at each stage. One book would not normally go through all stages in one day. However, one could compute that 1.5 books were cataloged per day per employee in FY 1982 if one figures that 447 employees in 250 days cataloged 150,000 books in the year. This figure accounts for cataloging at all stages in the cataloging process regardless of language or source of acquisitions.

Current staffing level for Chinese, Japanese, and Korean cataloging is given in the following chart.

Catalogers	No. of Positions
Preliminary	15
Descriptive	22
Serial	3
Subject	10
Total positions	50

Language expertise is required for each of these positions. These 50 staff members accounted for 24,000 titles cataloged in FY 1982. In 250 days, these catalogers do 1.92 books per day per employee. In order to catalog the 8,000 projected new titles per year (which brings the total output to 32,000 per year), the Library has asked for 15 additional staff. These staff will be distributed among the preliminary, descriptive, and subject cataloging positions.

In addition to these fifteen cataloging positions, the Library is requesting an additional fifteen inputting positions (Machine Readable Cataloging verifiers). Up to now, no Chinese, Japanese, and Korean titles cataloged by the Library have been included in the MARC database. To remedy this situation, the Library is participating in the East Asian program of the Research Libraries Group (shortened to RLG/CJK). This program will allow the creation of Chinese, Japanese, and Korean records in machine-readable form. These records will include both Oriental characters and romanized data, a feature which is necessary due to the ambiguous and imprecise nature of the romanization of these languages. RLG has developed a unique terminal for input and retrieval of Chinese, Japanese, and Korean characters. The RLG/CJK project will lead to improved bibliographic access to the Far

Eastern materials for the Library and for other collections for East Asian library materials. It will be an invaluable resource for scholars and students of Far Eastern Affairs.

As noted above, the entire CJK cataloging production is estimated to reach 32,000 titles a year. To input 32,000 records in Western languages would require 12 additional staff. However, because of the complexity of inputting vernacular characters, 15 additional staff are requested.

Question: You have requested 7 new positions to staff the performing arts reading room. What hours is the reading room open to the public now for the use of video and audio materials, and how much will these hours be expanded if we agree to these 7 positions? What additional hours are planned for the current fiscal year? How much of the capacity of the listening and viewing rooms is used now? Is there a waiting list to use the rooms?

Answer: Of the seven positions requested for the Performing Arts Reading Room, three positions are being requested for the Motion Picture, Broadcasting and Recorded Sound Division to provide sufficient staff to serve the users of the listening and viewing facilities and four positions are being requested to provide sufficient staff to serve the users of the musical collections. The three positions requested for the listening and viewing facilities were among eight included in the Library's fiscal year 1983 budget request, of which four were allowed.

The Performing Arts Reading Room is at present open for service of the music collections 8:30 - 5:00, Monday through Saturday and for service of the motion picture, broadcasting, and recorded sound collections 8:30 - 5:00, Monday through Friday. The Listening Facilities now are open 9:00 a.m. - 12:00 noon, Monday through Friday, by appointment only. With the appointment and training of the four staff members whose positions were funded in the FY 1983 budget, the Listening and Viewing Facilities will begin to expand hours, first to include service 9:00 a.m. to 12:00 noon on Saturday and will begin to use the Facilities' capability for viewing video materials and therefore provide more timely service to researchers using this medium. If the additional three positions are approved for FY 1984, the hours will be increased to provide service in the afternoons.

Given the current staff of the Motion Picture, Broadcasting and Recorded Sound Division, the playback facility is being used to capacity. As of today, this capacity is only one-quarter of the physical capability of the system as designed. Listening service provided has increased 20% since the move of the division to the Madison Building. However, it is estimated that approximately 50% of the readers requesting listening service still are not being served because no on-demand, immediate service is presently offered. Additional staff will allow for more efficient and expanded use of the facilities, and increase the number of users who can be served.

The four positions requested for the service of music collections are required to maintain present level of service rather than for expanded hours. At the end of fiscal year 1983, the Music Division will lose the four positions supported by funds appropriated for the preparation for the move to the Madison Building and for the division's ongoing operation once the move had been

completed. If the four positions requested for FY 1984 are not received, service of music materials will have to be limited by reducing the hours of public service or otherwise limiting service.

Question: Several months ago you submitted a reprogramming request related to a new facility in New Delhi. What is the status of this request?

Answer: The reprogramming request submitted in December of 1982 was for the purpose of assuring that the Library would have office space within the embassy compound in New Delhi, India. We subsequently learned that the State Department and the U.S. Embassy now have plans to provide space in the compound for the Library without charge, therefore, the requested reprogramming authority is no longer needed.

Question: U. S. holdings of Indian rupees, which finance the Library's acquisition program in India, are rapidly dwindling. When they are exhausted, the program will have to be funded in U.S. dollars. Exactly how much longer will our holdings of rupees last at current spending levels? Since it is highly unlikely that Congress will agree to fund this program at existing levels when our rupees are expended, wouldn't it make sense to begin to wind down this program now? What program and spending level do you anticipate requesting once the rupees are gone?

Answer: The Department of State estimates that excess Indian rupees will be depleted in 3 to 5 years.

In 1976 the Library began to develop plans for the transition from Indian rupees to dollar funding. Actions taken already to prepare for this eventuality include: (1) reduction of staff from 121 in 1978 to 85 in 1983 and a further reduction to 72 planned by the time rupees are no longer available; (2) reduction in the number of pieces acquired in New Delhi from over 700,000 in 1976 to just under 500,000 in 1982 with further reductions planned based on refining the selection process; (3) increasing the number of participating libraries in the South Asia program in order to spread the cost; (4) payment of State Department administrative support charges with Pakistani rupees rather than with Indian rupees; (5) charging the participating libraries with the costs that are directly related to participant services; and, (6) transferring some functions from New Delhi to the Karachi, Pakistan field office.

A major factor in New Delhi is the cost of leased office space. The State Department and the U.S. Embassy have plans to provide space to the Library without charge within the Embassy compound. However, such space may not be available at the time rupees are expended. If that happens the Library will attempt to negotiate a long term lease for office space payable in advance in rupees to cover the period between expiration of rupees and the time office space becomes available at the Embassy. This action will further reduce the dollar funding required to support the Library of Congress operation in New Delhi.

It is very difficult to estimate the program and spending levels in New Delhi once rupees are gone. As indicated above, we expect and are planning for a reduced level of operation. The Library does feel there will be a continuing need for a field office in New Delhi for acquisitions of materials as India ranks third in the world

in English language publishing and seventh in overall publishing. Thus, there will be a continuing demand by U.S. university libraries for South Asian materials. Assuming some level of demand and considering the fact that materials in 29 languages and 19 scripts are now processed by the Delhi office make acquisitions and processing of scholarly materials published in the region an almost impossible task unless this work can be done in South Asia itself. It would not be economically feasible with U.S. salary rates to process at the Library here in Washington the volume and diversity of materials handled by the New Delhi office. Based on an assessment of non-continuing expenditures noted above and participant cost sharing it is estimated that of the FY 1982 expenditures of \$2,218,000, approximately \$950,000 to \$1,000,000 could be identified as the Library of Congress share of the total. This is a very rough estimate as it does not take into consideration inflation or dollar strength in three to five years. Therefore, it is estimated, within the limitation set forth above that the spending level in dollars once rupees are gone would range between \$1,000,000 to \$1,500,000.

Question: Last year the Congress altered the International Exchange Program. How has this change affected the Library? Are any further changes needed?

The Act authorizing international exchange was amended to place the costs of printing, binding, and distributing U. S. government publications for international exchange purposes with the issuing agency. The Government Printing Office does the actual shipment of the materials. The Comptroller of the Government Printing Office reports that the agencies are absorbing the costs and the publications are shipped. Small administrative problems still exist but these can be worked out by Library staff and Government Printing Office staff. No additional legislation is necessary.

Question: The Law Library presently conducts research and prepares papers [*] at the request of governmental officials, including those in the Executive Branch who presumably have their own legal departments. How many Law Library personnel are involved in this activity? At what cost? How and when did the Library get into this field? What is the justification for supporting other government agencies in this way? What papers has the Law Library prepared and for what requestors thus far in FY '83?

Answer: The Law Library prepares legal analyses, comprehensive studies, surveys, legal opinions, bibliographies, and translations [*] in foreign and international law for Congress, and, as time permits, for the executive and judicial branches. American law research for Congress is done by the American Law Division of the Congressional Research Service.

Over 30 foreign law specialists, all qualified legal practitioners from abroad, handle this work, and they are assisted by many other kinds of support personnel, including 7 researchers and 5 editors or secretary/editors, who do extensive editing, rewriting, and verification of citations, translations, and bibliographic information. With an overall staff of 97, the Law Library is the smallest department of the Library of Congress.

The Law Library does not maintain an accounting system to measure the cost of its research services. Our best estimate is that 75% of our research cost is expended on congressional work, with the

remainder divided between the executive and the judicial branches (15%) and the public (e.g., state and local governments, diplomatic missions, foreign governments, lawyers, and scholars) (10%). On this basis, the annual estimated cost for research and reference services to the judiciary and the executive branches would amount to approximately \$275,000 in salaries and benefits.

The Law Library has served the federal judiciary since 1832, and since about 1910 its service for the rest of government has gradually increased. In 1971 the Legislative Reference Service (LRS--predecessor of today's Congressional Research Service) took over research on American law for Congress. For a time, the Law Librarian functioned as the head of LRS as well.

In reflecting congressional concerns in world affairs, the Law Library has amassed and developed a comprehensive collection of legal resources over its 150 years of existence. It has been most logical, efficient, and economic for the Law Library, therefore, to serve as a center of research in foreign and international law for the government and the nation. It would be prohibitively expensive and redundant to duplicate equivalent personnel, collections, and acquisitions' contacts in each of the separate departments of the executive and in court libraries around the country.

During the first six months of fiscal year 1983, the Law Library prepared the majority of its reports for the Department of Justice, primarily for the Immigration and Naturalization Service. The remaining agency reports were done for the Departments of the Air Force, Army, Health and Human Services, State, Transportation, and Treasury. The subjects of these reports have ranged from bank secrecy laws in the Netherlands Antilles and Cayman Islands, the right of survivorship under Nigerian and Lebanese laws, the laws of the Philippines on social security insurance, corporation law in the Republic of Vietnam, the German law on commodity futures, inheritance in Hong Kong, the judicial system and criminal procedure of El Salvador, the 1906 boundary agreement between Egypt and Palestine, to adoption, marriage, divorce, and legitimation in Brazil, Japan, the People's Republic of China, Thailand, and other countries.

OPTICAL DISK STORAGE

Question: The budget includes a total of eight positions to pursue a pilot program related to the use of the optical disk for storage of information. How does this system work? What do you believe to be the future of this system for the Library? Is it the successor of microfilming for storage of documents so that as optical disk costs increase, microfilming costs would decrease? When would you expect to seek funding for full scale use of the optical disk, assuming the pilot program is a success? Since this is a pilot program, shouldn't these be temporary positions?

Do you have any idea at this time of potential costs, both procurement and operating, of this system?

Answer: Text or image information is encoded on the metallic surface of the optical disk by a writing laser. At the same time bibliographic access information is keyed into a host computer. The completed optical disks are stored in a disk selection device which holds many disks and is linked to the bibliographic data base.

The search for useful information is carried out by computer in the usual way. When a user requires information on a disk instead of requesting an item from the stacks, a reading laser is positioned at the corresponding location and reads the information off the disk and sends the image to a user terminal where it is viewed on a CRT screen. Users perform the majority of their research reading the information from the screen. Copies of text that the researcher may need can be printed at the user station.

If the optical disk pilot program proves to be technically feasible and as cost effective in delivering information as we believe it will be this technology could have a profound influence on the way the Library operates. The future could very well be an "electronic library" for material that lends itself well to reading on a CRT screen. The preservation aspects of digitally stored information are quite positive and represent a marked improvement over the storage of information on microfilm format. In addition, access and retrieval of information would be substantially improved for electronically stored information.

It is conceivable that electronic storage of information in digital form using optical disks could replace microfilming as a preservation storage medium. One would expect that an increase in the optical disk storage of information would result in a decrease of microfilm storage of information and that the cost here would be more or less offsetting. This is a long-term condition, however, dependent upon the success of the pilot project.

Reliable data for evaluation of the pilot program should be coming in toward the end of 1984 and the beginning of 1985. If the results look encouraging we would expect to ask for an expansion of the pilot system in fiscal 1986 and/or 1987.

It would be reasonable to have these as temporary positions for the term of the pilot program; however, we have every reason to expect success in which case conversion to permanent would be requested.

The procurement cost of the pilot system was approximately \$1.7 million which like other computer applications came from the automated systems support budgets for FY 82 and FY 83. The costs to expand this system to a larger scale are not easily arrived at at the present time because we do not have a definition of what the most effective system size would be in terms of number of user stations and number of disk readers. We expect the costs of this technology to decrease during the pilot period, and expansion costs during any subsequent year may be expected to be less than those of the initial pilot project. Data on operating costs will be generated in the pilot program.

DEACIDIFICATION

Question: How close are you to selecting a site for the 500,000 books per year deacidification plant? How confident are you that the \$2.5 million estimate for construction of the building and unit won't be exceeded? Have architectural and engineering drawings been obtained? Has the Library attempted to discover if there are vacuum chambers no longer in use which might be converted for this purpose? What would you expect annual operating costs to amount to? What additional testing is scheduled?

Answer: We are now working with the various military services to identify an appropriate site and hope to identify a specific location within the next few months.

It is the Library's best estimate at this time based on preliminary plans that \$2.5 million will cover the cost of constructing a facility and purchasing all of the necessary equipment. In another fiscal year up to an additional \$1,500,000 will be needed for equipment installation costs and facility check-out and activation costs.

An architectural and engineering design firm has estimated the facility constructions costs and the contractor performing the project testing to date has estimated equipment and equipment installation costs. Final design drawings have not been obtained.

We have looked into the possibility of utilizing vacuum chambers built for other applications. The large-scale testing at NASA/Goddard attempted to do this with a chamber that was initially used for satellite testing. A careful analysis by the engineers at Northrop Services and by technical people at the Library have lead us to the conclusion that it would be unwise to try to refurbish a chamber that was designed for something else for use as an optimum deacidification facility. It is the opinion of the engineering staff on the project that the new chamber designed specifically for deacidifying books would be about the same cost and substantially better for the job than retrofitting an existing chamber designed for space environment testing.

If plant operations could be initiated in FY 1986, it is estimated that the annual operation cost would be \$2,240,000.

Additional small-scale testing is taking place in a special facility at NASA which will allow observation of process variable changes on 100 books per experiment. Five of these small-scale runs are planned over the next three months. The information from these runs and further experimentation in LC's research laboratory will be brought together into a second 5,000 book demonstration experiment this summer.

RESTORATION

Question: The Architect of the Capitol has provided three separate estimates for the restoration of the Jefferson and Adams buildings. Under one method, all restoration work would be done by the Architect, under the second, renovation work would be done by the Architect with outside subcontractors doing some of the work, and under the third, the renovation would be accomplished by an outside contractor with the Architect performing a limited amount of the work. Do you have an opinion as to whether one method would be preferable, particularly with respect to quality control and minimization of disruption?

Answer: The Library has enjoyed an excellent working relationship with the Architect of the Capitol who has been most responsive to a variety of Library building and construction needs over the years. Work done for the Library directly by the forces of the Architect of the Capitol, or by contractor working for the Architect has generally been of high quality and served the needs of the

Library. The Library assigns knowledgeable and well trained members of its own staff to work closely with the staff of the Architect of the Capitol and his contractors to insure that our needs were understood and met in their work. We are prepared to do so in the future regardless of the method selected for doing this work.

Question: The Library has requested \$7.7 million for furniture for the Jefferson and Adams buildings. Is this furniture strictly for the areas to be renovated? Please provide the justification and breakdown of this estimate. If Congress appropriates funds for restoration in FY 83, couldn't this appropriation be delayed since renovated space will not be available in the near future? How much of this furniture is strictly staff space? Would existing furniture suffice for these areas?

Answer: This appropriation would only be used to furnish areas to be renovated in the Jefferson and Adams Buildings.

A categorized breakdown of the furnishings estimate follows:

Estimated Library of Congress Furniture and Equipment Cost
Related to the Renovation/Restoration of the

Thomas Jefferson and John Adams Buildings

	<u>Thomas Jefferson Building</u>	<u>John Adams Building</u>	<u>Total</u>
Book Shelving and Interior Partitions	\$ 203,760		
Special Purpose Furniture and Equipment	220,830	\$ 645,320	\$849,080
Card Catalogs	1,005,860	69,430	290,260
Reading Rooms and Meeting Rooms	641,940	1,389,690	2,395,550
Office Furniture	871,110	610,690	1,252,630
	<u>\$2,943,500</u>	<u>2,041,370</u>	<u>2,912,480</u>
		<u>\$4,756,500</u>	<u>\$7,700,000</u>

While some older traditional furnishings that can be made servicable will be used in the older buildings, new furnishings shown in the categorized breakdown will be needed for several reasons. Much of the space in the Thomas Jefferson Building will be occupied by newly established reading rooms and special purpose areas requiring furnishings unique to those areas. Still other furnishings will have to be made compatible in purpose and design with the plans drawn up by the Associate Architects. To achieve maximum utilization of space, most staff areas in both of the older buildings will be arranged in open office space configurations using power-wired movable partitions and compact systems furniture.

If Congress appropriates funds in FY 83 for restoration, a furniture appropriation would not be needed until FY 84. There are significant lead times involved in specifying, ordering, manufacturing, delivering, and installing furniture and equipment.

The proportion of furniture for staff space is shown in the categorial breakdown under office furniture. About 38% of the requested appropriation is for furnishing staff space.

Some existing furniture will be used but newer furnishings are required for reasons stated previously.

Question: Does the Library feel that all necessary work has been included and needs satisfied in the project plans?

Answer: The Library has worked closely with the Architect of the Capitol and the Associate Architects and has had the opportunity to review and comment on preliminary design and design development documentation. During this process we made certain refinements and suggestions and noted areas of concern. We believe all of our needs will be met but will only know for sure when the final construction drawings and specifications are completed in July of 1983.

Question: What was the staff load in the Jefferson and Adams buildings before completion of the Madison building? What is the staff load in the 3 Library buildings today? What is the projected staff allocation to each of the buildings after completion of the restoration project (based on current staffing levels)? What percent of the useable floorspace of the Jefferson and Adams buildings is currently vacant? What overload problems in other areas is this causing?

Answer: The following tables show comparative building occupancy figures:

LIBRARY OF CONGRESS COMPARATIVE BUILDING OCCUPANCY FIGURES

	1978	1983	1989
Madison Building	0	3,432	3,432
Jefferson Building	1,761	420	439
Adams Building	1,854	879	860
Rental Building	1,351	235	235
	4,966	4,966	4,966

LIBRARY OF CONGRESS CURRENT SPACE VACANCY FIGURES

Madison Building	0%
Jefferson Building	57%
Adams Building	25%

No overload problems have been caused in other areas as a substantial amount of renovated space will be used for reading rooms, exhibit areas, and special purpose areas to accomodate such things as computer terminals and card catalogs.

COPYRIGHT ROYALTY TRIBUNAL

STATEMENT OF COMMISSIONER EDWARD W. RAY, CHAIRMAN

ACCOMPANIED BY:

COMMISSIONER KATHERINE D. ORTEGA, CHAIRMAN, BUDGET COMMITTEE

CHRISTY BLACKBURN-RODRIGUEZ, BUDGET ADMINISTRATOR

PREPARED STATEMENT

Senator D'AMATO. The committee will come to order.

Commissioner Ray, Commissioner Ortega, Ms. Blackburn-Rodriguez, would you like to give your testimony? You can summarize it. We will take the full testimony and print it in its entirety.

Mr. RAY. Mr. Chairman, I do not have any statement to add to our written report. I think the report is quite detailed. Basically, the budget request for 1984 is the same as 1983, with the exception of the pay cap adjustment for the Commissioners and for staff.

We would be happy to answer any specific questions that you may have in mind.

Senator D'AMATO. OK.

[The statement follows:]

STATEMENT OF COMMISSIONER EDWARD W. RAY, CHAIRMAN

My name is Edward (Eddie) Ray, Chairman of the Copyright Royalty Tribunal. Appearing with me are Commissioner Katherine D. Ortega, Chairman of the Tribunal's Budget Committee, and my staff assistant, Christy Blackburn-Rodriguez, who also acts as the Tribunal's Budget Administrator. We are pleased to appear before you in order to present this subcommittee testimony on the operations of the Copyright Royalty Tribunal.

FY 1983 BUDGET

The Tribunal's original budget request and subsequent authorization for FY 1983 was for \$606,000 and is detailed as follows:

Salaries	\$415,600
Personnel Benefits	38,400
Travel and Transportation	500
Postage	1,000
Local Telephone	2,500
Long Distance Telephone	1,500
Rental of Equipment	300
Rental of Space	56,000
Printing, Forms	25,000
Services of Other Agencies	15,000
Repair of Equipment	2,200
Cost of Hearings	46,000
Office Supplies	1,000
Books and Library Materials	<u>1,000</u>
Total FY 1983 Authorization	\$606,000
Less Reimbursement from Royalty Fee Accounts	<u>157,000</u>
TOTAL APPROPRIATION	<u>\$449,000</u>

FY 1983 REQUEST FOR SUPPLEMENTAL FUNDS

Due to recent legislation adjusting the cost of living pay scales for staff members and the Executive pay cap adjustment for the Commissioners, the Tribunal is requesting an additional \$35,000 pay supplemental.

PAY SUPPLEMENTAL ANALYSIS

1.	Pay Cap Adjustment for Commissioners	
	5 Commissioners @ \$6,000	\$30,000
2.	4% Cost of Living Increase for Staff	
	5 Assistants @ \$1,000	<u>5,000</u>
	Total Supplemental Request	<u>\$35,000</u>

BUDGET REQUEST FOR FISCAL YEAR 1984

The Tribunal appeared before the House Appropriations Subcommittee on March 1, 1983 to justify the FY 1984 budget request. The Tribunal is requesting a budget appropriation of \$650,000, of which \$170,000 shall be derived from the appropriation "Payments to Copyright Owners" for the reasonable costs incurred in proceedings involving distribution of royalty fees. The \$9,000 increase over the FY 1983 budget, including the pending supplemental request for payroll expenses, is solely necessitated by the annualization of both the 4% cost of living payroll increase for staff members and the pay cap increase for the Commissioners.

A detailed breakdown of the Tribunal's budget request for FY 1984 follows:

COPYRIGHT ROYALTY TRIBUNAL

	Total	Transfer from Royalty Funds	Regular Bill
1983 Regular bill	\$606,000	- \$157,000	\$449,000
Proposed Supplemental for Pay Raise	35,000		35,000
1983 Adjusted	\$641,000	- \$157,000	\$484,000
1984 Estimate	650,000	- 170,000	480,000
Net Increase	\$ 9,000	- \$ 13,000	- \$ 4,000

Analyses of Increases

	FY 1983	FY 1984	Increase
1. Salaries and Compensation			
Current level + \$9,000	\$489,000	\$498,000	\$ 9,000
To annualize cost of living and payroll taxes increase			\$1,000
To annualize Pay Cap increase			8,000
Total Increase			\$ 9,000

SUMMARY

Total Salaries and Expenses - Copyright Royalty Tribunal	\$641,000	\$650,000	\$ 9,000
Increase in Current Level +\$9,000			

COPYRIGHT ROYALTY TRIBUNAL

	<u>FY 1983</u>	<u>Increase</u>	<u>FY 1984</u>
11.1 Salaries and Compensation	\$445,000	\$ 7,000	\$452,000
12.1 Personnel Benefits	44,000	2,000	46,000
21 Travel and Transportation	500	-0-	500
23A Postage	1,000	-0-	1,000
23B Local Telephone	2,500	-0-	2,500
23C Long Distance Telephone	1,500	-0-	1,500
23E Rental of Equipment	300	-0-	300
23F Rental of Space	56,000	-0-	56,000
24F Printing, Forms	25,000	-0-	25,000
25D Services of Other Agencies (Library of Congress)	15,000	-0-	15,000
25G Repair of Equipment	2,200	-0-	2,200
25K Cost of Hearings	46,000	-0-	46,000
26A Office Supplies	1,000	-0-	1,000
31 Books and Library Materials	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
TOTAL FUNDS REQUIRED	\$641,000	\$ 9,000	\$650,000
Less Transfer from Royalty Funds	<u>-157,000</u>	<u>-13,000</u>	<u>-170,000</u>
TOTAL APPROPRIATION REQUEST	<u>\$484,000</u>	<u>\$-4,000</u>	<u>\$480,000</u>

The following report on the Tribunal's operations and activities is submitted as part of this record.

CREATION AND MEMBERSHIP

The Copyright Royalty Tribunal (Tribunal) was created by section 801(a) of Public Law 94-553, an Act for the General Revision of the Copyright Law (title 17 of the United States Code). This legislation was signed by President Gerald R. Ford on October 19, 1976. While the new Copyright Act generally became effective on January 1, 1978, the section of the Act establishing the Tribunal became effective on the enactment date.

The Tribunal is composed of five Commissioners appointed by the President with the advice and consent of the Senate for a term of seven years each, except that two of the Commissioners first appointed served for a term of five years. The members of the Tribunal are:

Thomas C. Brennan of New Jersey (Term expires September 1984)
 Douglas E. Coulter of New Hampshire (Term expires September 1984)
 Mary Lou Burg of Wisconsin (Term expires September 1984)
 Edward W. Ray of California, Chairman (Term expires September 1989)
 Katherine D. Ortega of New Mexico (Term expires September 1989)

STATUTORY RESPONSIBILITIES

The Tribunal's statutory responsibilities are:

- (a) to make determinations concerning copyright royalty rates
 - (1) in the area of cable television (17 U.S.C.111),
 - (2) for phonorecords (17 U.S.C. 115),
 - (3) for coin-operated phonorecord players (jukeboxes) (17 U.S.C.116), and
 - (4) for non-commercial broadcasting (17 U.S.C.118); and
- (b) to distribute cable television and jukebox royalties deposited with the Register of Copyrights (17 U.S.C.111 and 17 U.S.C.116).

GENERAL ADMINISTRATION

The only staff of the Tribunal is a personal assistant to each Commissioner. The agency does not have a General Counsel and the Commissioners perform all professional responsibilities themselves.

The Library of Congress, by contract, provides the Tribunal with administrative services relating to budgeting, accounting, financial reporting, personnel and procurement.

RULEMAKING POLICIES

The Tribunal is acquainted with and endorses the desire of the President and the Congress that rules and regulations adopted by agencies of the Federal Government should be concise, drafted in understandable

language, and limited in scope to that which is essential to accomplish the purposes of the agency. Consequently, in its various rulemaking activities, the Tribunal has sought to implement these objectives.

TRIBUNAL PROCEEDINGS COMPLETED
IN FISCAL YEARS 1982 AND 1983

1. 1978 Cable Royalty Distribution Proceeding (CRT Docket No. 79-1)
2. Coin Operated Phonorecords: Jukebox Royalty Adjustment Proceeding (CRT Docket No. 80-1)
3. Compulsory License for Secondary Transmission by Cable Systems: Royalty Adjustment Proceeding (CRT Docket No. 80-3)
4. Compulsory License for Making and Distributing Phonorecords: Royalty Adjustment Proceeding (CRT Docket No. 80-2)
5. Coin-Operated Phonorecord Players 1979 Distribution Proceeding (CRT Docket No. 80-5)
6. 1979 Cable Royalty Distribution Proceeding (CRT Docket No. 80-4)
7. Adjustment of the Royalty Rate for Cable Systems; Federal Communications Commission's Deregulation of the Cable Distant Signals and Exclusivity Syndication Rules (CRT Docket 81-2)
8. 1982 Adjustment of the Royalty Schedule for Use of Certain Copyrighted Works in Connection with Noncommercial Broadcasting (CRT Docket No. 82-2)
9. 1981 Jukebox Royalty Distribution Proceeding (CRT Docket No. 82-3)
10. 1980 Cable Royalty Distribution Proceeding (CRT Docket No. 81-1)

TRIBUNAL PROCEEDINGS CURRENTLY IN PROGRESS AND/OR
SCHEDULED FOR FISCAL YEARS 1983 AND 1984

1. 1981 Cable Royalty Distribution Proceeding (CRT Docket No. 82-1)
2. 1982 Jukebox Royalty Distribution Proceeding
3. 1983 Jukebox Royalty Distribution Proceeding
4. 1982 Cable Royalty Distribution Proceeding

U.S. COURT OF APPEALS DECISIONS RENDERED ON RULES
AND DETERMINATIONS OF THE COPYRIGHT ROYALTY TRIBUNAL

1. 1978 Cable Royalty Distribution Proceeding - On April 9, 1982, the Court affirmed the Tribunal's royalty allocations.
2. Coin-Operated Phonorecords: Jukebox Royalty Adjustment Proceedings - On April 16, 1982, the Court issued its decision upholding the Tribunal's determination in the proceeding.

3. Compulsory License for Secondary Transmissions by Cable Systems: Royalty Adjustment Proceeding - On September 10, 1982, the Court affirmed the Tribunal's decision.
4. Compulsory License for Making and Distributing Phonorecords: Royalty Adjustment Proceeding - On June 18, 1981, the Court upheld the Tribunal's decision on the rate adjustment. However, the mechanism used for interim adjustments was remanded to the Tribunal and subsequently resolved.

TRIBUNAL DETERMINATIONS CURRENTLY IN APPEAL

1. 1979 Cable Royalty Distribution Proceeding (CRT Docket No. 80-4)
2. Adjustment of the Royalty Rate for Cable Systems; Federal Communications Commission's Deregulation of the Cable Industry (CRT Docket No. 81-2)
3. 1980 Cable Royalty Distribution Proceeding (CRT Docket No. 81-1)

FINANCIAL STATEMENTS OF THE JUKEBOX ROYALTY FUNDS

The Tribunal has completed the distribution of monies collected in the 1978, 1979, 1980, and 1981 Jukebox Royalty Fee Funds.

The financial statements, as of February 28, 1983, for the 1982 and 1983 Jukebox Royalty Fees Funds follow:

JUKEBOX ROYALTY FEES FOR 1982

Royalty fees deposited	\$2,768,385.36	
Interest income	227,200.00	
Gain on matured securities	<u>1,518.14</u>	\$2,997,103.50
LESS: Operating cost	\$ 149,867.00	
Refunds issued	1,918.00	
Cost of investments	2,819,461.84	
CRT administrative expenses	<u>700.00</u>	\$2,971,946.84
Balance on hand 2/28/83		\$ 25,156.66
Face amount of securities due 9/30/83		2,620,000.00
Estimated interest income due 9/30/83		<u>411,200.00</u>
AVAILABLE FOR DISTRIBUTION ON 9/30/83		<u>\$3,056,356.66</u>

JUKEBOX ROYALTY FEES FOR 1983

Royalty fees deposited	\$1,633,144.00	\$1,633,144.00
LESS: Projected operating costs for		
FY 1983	\$ 160,041.00	
Refunds issued	725.00	
Cost of investments	<u>1,445,443.27</u>	<u>\$1,606,209.27</u>
Balance on hand 2/28/83		\$ 26,934.73
Face amount of securities due 9/30/84		<u>1,333,000.00</u>
Estimated interest income due 9/30/84		<u>323,252.56</u>
AVAILABLE FOR DISTRIBUTION ON 9/30/84		<u>\$1,683,187.29</u>

FINANCIAL STATEMENTS OF THE CABLE ROYALTY FUNDS

The Tribunal has completed the distribution of monies collected for the 1978 Cable Royalty Fee Fund. The financial statements, as of February 28, 1983, for the 1979 through 1982 Cable Royalty Fee Funds follow:

CABLE TV ROYALTY FEES FOR 1979

Royalty fees deposited	\$15,871,034.51	
Interest income	1,785,083.13	
Gain on matured securities	<u>4,958,801.45</u>	\$22,614,919.09
LESS: Operating costs	\$ 273,218.00	
Refunds issued	116,672.04	
Cost of investments	11,447,817.22	
CRT Administrative expenses	46,729.90	
Distribution of fees	<u>10,673,380.66*</u>	<u>\$22,557,817.82</u>
Balance on hand 2/28/83		\$ 57,101.27
Face amount of securities due 3/31/83		<u>11,685,000.00</u>
AVAILABLE FOR DISTRIBUTION ON 3/31/83		<u>\$11,742,101.27</u>

*50% of the \$ was distributed in July 1982; 50% is being held until resolution of the appeal before the Courts.

CABLE TV ROYALTY FEES FOR 1980

Royalty fees deposited	\$19,913,620.64	
Interest income	528,412.50	
Gain on matured securities	<u>5,950,735.15</u>	\$26,392,768.29
LESS: Operating costs	\$ 323,950.00	
Refunds issued	62,079.87	
Cost of investments	25,945,668.97	
CRT administrative expenses	<u>88,704.00</u>	
		<u>\$26,420,403.09</u>
Balance on hand 2/28/83		\$ (27,634.80)
Face amount of securities due 4/7/83		<u>26,315,000.00</u>
AVAILABLE FOR DISTRIBUTION ON 4/7/83		<u>\$26,287,365.20*</u>

*\$13,143,682 (50%) will be distributed on 5/6/83.

CABLE TV ROYALTY FEES FOR 1981

Royalty fees deposited	\$26,300,604.22	
Interest income	191,656.26	
Gain on matured securities	<u>3,968,927.28</u>	\$30,461,187.76
LESS: Operating costs	\$ 355,916.00	
Refunds issued	64,861.13	
Cost of investments	29,497,896.25	
CRT administrative expenses	<u>53,800.00</u>	
		<u>\$29,972,473.38</u>
Balance on hand 2/28/83		\$ 488,714.38
Face amount of securities due 8/11/83		<u>30,785,000.00</u>
AVAILABLE FOR DISTRIBUTION ON 8/11/83		<u>\$31,273,714.38</u>

CABLE TV ROYALTY FEES FOR 1982

Royalty fees deposited	\$16,657,957.56	
Interest income	<u>1,239,062.50</u>	\$17,897,020.06
LESS: Operating costs	\$ 374,667.00	
Refunds issued	22,417.67	
Cost of investments	17,416,355.24	
CRT administrative expenses	<u>18,164.00</u>	
		<u>\$17,831,603.91</u>
Balance on hand 2/28/83		\$ 65,416.15
Face amount of securities due 8/31/83		16,615,000.00
Estimated interest income due 8/31/83		<u>1,335,750.00</u>
AVAILABLE FOR DISTRIBUTION ON 8/31/83		<u>\$18,016,166.15</u>

RESTRUCTURING OF THE TRIBUNAL

Congressional subcommittees have previously been advised by the Tribunal, that it supports the General Accounting Office's recommendation that the Tribunal be reduced from five to three Commissioners. The Tribunal currently supports that position, provided no new copyright legislation is enacted that increases the Tribunal's responsibilities. We understand that the legislative committees have considered the implementation of this recommendation, as of January 1, 1985.

THE IMPLEMENTATION OF THE
GOVERNMENT AND THE SUNSHINE ACT

The Government in the Sunshine Act requires each agency subject to the Act to report annually to the Congress regarding its compliance with the provisions of the Act. In assembling and organizing the required information, the Tribunal has followed the format and procedure requested by the Chairman of the Senate Subcommittee on Federal Spending Practices and Open Government.

3-5. During fiscal year 1982, the Tribunal held fifty meetings, none of which, in whole or in part, were closed to the public. On one or more occasions, drafts of correspondence prepared by the Chairman or other Commissioners have been circulated to Commissioners for review. However, such correspondence does not constitute official action of the agency. Given the smallness of the agency, we have held no wholly or partially closed meetings.

6. Since its establishment, the Tribunal has never utilized notational voting in the consideration or adoption of agency rules, other final actions, or in reaching the final determinations described in the Copyright Act (P.L. 94-553). As stated above, on one or more occasions, drafts of correspondence prepared by the Chairman or other Commissioners have been circulated to Commissioners for review. However, such correspondence does not constitute official action of the agency.

7. The Tribunal has no permanent professional staff and consequently there are no staff papers to be made available to the public. Section 301.12(c) of the Tribunal's Rules of Procedure provides, "Reasonable access for news media will be provided at all public sessions provided that it does not interfere with the comfort of Commissioners, staff, or witnesses. Cameras will be admitted only on the authorization of the Chairman, and no witness may be photographed or have his testimony recorded for broadcast if he objects." Since its establishment, the Tribunal has not in practice precluded the use of cameras or recording devices.

8. Three methods of notifying the public of agency meetings have been utilized:

- A. Publication of hearing notice in the FEDERAL REGISTER.
- B. Informal personal notification of persons known to have an interest in a particular subject matter.
- C. Use of the trade press to bring the proceedings of the Tribunal to the attention of persons not likely to read the FEDERAL REGISTER.

The policy of the Tribunal has been to provide at least thirty days notice of the commencement of any proceedings other than proceedings limited to the internal operations of the agency.

9. As stated earlier, the agency is small and all meetings have been open. This question is therefore not applicable.

10-11. The Tribunal's procedure for releasing transcripts, recordings, or minutes of closed meetings is established in Section 301.15 of the Rules of Procedure which provides:

- (a) All meetings closed to the public shall be subject to either a complete transcript or, in the case of §301.13(i) and at the Tribunal's discretion, detailed minutes. Detailed minutes shall describe all matters discussed, identify all documents considered, summarize action taken as well as the reasons for it, and record all roll call votes as well as any views expressed.
- (b) Such transcripts or minutes shall be kept by the Tribunal for 2 years or 1 year after the conclusion of the proceedings, whichever is later. Any portion of transcripts of meetings which the Chairman does not feel is exempt from disclosure under §301.13

will ordinarily be available to the public within 20 working days of the meeting. Transcripts or minutes of closed meetings will be reviewed by the Chairman at the end of each calendar year and if he feels they may at that time be disclosed, he will resubmit the question to the Tribunal to gain authorization for their disclosure.

12. As we have held no closed meetings, there have been no complaints, formal or informal, of our Sunshine procedures.

13. Section 301.17 of the Tribunal's Rules of Procedure on *ex parte* communication reads as follows:

- (a) No person not employed by the Tribunal and no employee of the Tribunal who performs any investigative function in connection with a Tribunal proceeding shall communicate, directly or indirectly, with any member of the Tribunal or with any employee involved in the decisions of the proceeding, with respect to the merits of any proceeding before the Tribunal or of a factually related proceeding.
- (b) No member of the Tribunal and no employee involved in the decision of a proceeding shall communicate, directly or indirectly, with any person not employed by the Tribunal or with any employee of the Tribunal who performs an investigative function in connection with the proceeding, with respect to the merit of any proceeding before the Tribunal or a factually related proceeding.

SUNSHINE ACT MEETINGSMEETINGS

October 14, 1981. Compulsory License for Making and Distributing
Phonorecords; Royalty Adjustment Proceeding

1980 Cable Royalty Distribution Proceeding

Adjustment of the Royalty Rate for Cable Systems;
FCC Deregulation of the Cable Industry

November 3, 1981 Compulsory License for Making and Distributing
Phonorecords; Royalty Adjustment Proceeding

December 15, 1981 Compulsory License for Making and Distributing
Phonorecords; Royalty Adjustment Proceeding

1979 Cable Royalty Distribution Proceeding (CRT Docket 80-4):

October 5, 6, 7, 8; 9, 13, 14, 1981

January 15, 19, 20, 21, 22, 25, 26, 27, 28, 1982

February 3, 4, 5, 1982

May 26, 1982

July 14, 21, 1982

1979 Jukebox Distribution Proceeding (CRT Docket 80-5):

October 1, 2, 1981

Adjustment of the Royalty Rate for Cable Systems; FCC Deregulation of
the Cable Industry (CRT Docket 81-2):

March 31, 1982

May 11, 1982

June 15, 16, 17, 18, 22, 24, 25, 29, 30, 1982

July 1, 7, 8, 13, 14, 15, 16, 20, 21, 22, 1982

August 3, 4, 5, 6, 1982

1980 Cable Royalty Distribution Proceeding (CRT Docket 81-1):

September 21, 22, 23, 24, 28, 29, 30, 1982

GENERAL

Mr. RAY. We have five Commissioners, and each Commissioner has one personal assistant. That is the entire staff of the CRT.

REIMBURSEMENT FROM ROYALTY FUNDS

Senator D'AMATO. Last year, for the first time, the Congress set a limit on the amount of royalty funds that the Tribunal could utilize. Has this arrangement caused any problems for the Tribunal?

Mr. RAY. Mr. Chairman, speaking as a commissioner, not as Chairman of the Tribunal, I feel that it has. I have definite ideas regarding the use of royalty funds to pay for the cost of these distribution sessions. In previous subcommittee hearings at the House, I recommended that we increase the allocation from the distribution royalty funds quite substantially in order to underwrite the expenses of the CRT.

For example, in 1984, almost 100 percent of the hearings will be distribution hearings. For that particular year, I feel that we should recoup a much greater percentage from the royalty funds. During the years we have rate adjustment sessions, of course, then we have problems. We cannot expect the copyright owners to pay for the cost of rate adjustment hearings. I would like to place a letter to Chairman Fazio in the record which sets forth the Tribunal's viewpoint.

Senator D'AMATO. Fine.

[The letter follows:]

LETTER FROM CHAIRMAN EDWARD RAY AND COMMISSIONER KATHERINE D. ORTEGA,
CHAIRMAN, TRIBUNAL BUDGET COMMITTEE

APRIL 28, 1983.

Hon. VIC FAZIO,

Chairman, Subcommittee on Legislative Branch, Committee on Appropriations, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We understand that the subcommittee is currently considering an alternative allocation for the Copyright Royalty Tribunal for fiscal year 1984 that would increase the Tribunal's budget costs to be charged to the copyright royalty fund accounts.

We support the subcommittee's proposed funding of the Tribunal for fiscal year 1984.

The Copyright Act provides that the full cost of distribution proceedings should be deducted from the appropriate royalty fund account. At the present time, the Tribunal's calendar for fiscal year 1984 reflects mainly copyright royalty distribution functions. In view of this, we agree that an allocation of 70 percent of the Tribunal's 1984 budget from the royalty fund accounts is appropriate. The remaining 30 percent of the Tribunal's 1984 budget will cover (1) any court remand of previous Tribunal rate adjustment determinations; (2) preparations for the 1985 rate adjustment proceedings; and (3) general administrative functions not related to distribution proceedings.

It is our opinion that the copyright owners should not absorb the total expenses of the Tribunal. Subsequent year allocations should be adjusted to reflect the ratio between the number of rate adjustment proceedings and distribution proceedings.

This is the minority position. Commissioners Brennan, Burg, and Coulter are submitting a separate opinion.

Sincerely,

EDWARD RAY, *Chairman*.

KATHERINE D. ORTEGA,

Commissioner, Tribunal Budget Committee Chairman.

TRIBUNAL RESTRUCTURING

Senator D'AMATO. A GAO study of the Copyright Royalty Tribunal indicated that the Tribunal's workload only consumed about half of the worktime of the Commissioners. At our hearing last year, former Commissioner Francis Garcia agreed that this is a problem.

Is the workload still insufficient to keep the Commissioners and staff busy full time?

Mr. RAY. Mr. Chairman, I joined the Tribunal in February of last year. This past year has been extremely busy because of the cable rate adjustment sessions.

However, we do not anticipate this year, 1983 nor 1984, to be nearly as busy.

We have recommended in the past that the Commission be reduced, the Tribunal be reduced from five Commissioners to three. We still support that position.

Senator D'AMATO. You still support it?

Mr. RAY. Yes.

GENERAL COUNSEL

Senator D'AMATO. Last year Commissioner Garcia indicated that a general counsel for CRT was not needed. Is this still the Tribunal's belief?

Mr. RAY. Sir, I believe the Tribunal still believes that a general counsel is not needed.

However, I believe that there is a necessity for some legal counsel, perhaps on a part-time basis. I do not believe there is enough work for a full-time general counselor. I do not know whether Commissioner Ortega has an opinion on that.

Ms. ORTEGA. I am in agreement with the Chairman. I believe we do need a general counsel, but not a full-time one. So we would need a part-time general counsel.

Senator D'AMATO. A decision that has great legal ramifications and cost ramifications is one that was made by the Royalty Tribunal in terms of the rate that would be set for transmission of distant signals by cable companies. The rate formerly was something like six-tenths of 1 percent. It was increased to 3.75 percent.

That has brought out cries from various groups and entities and court litigation, and I am sure you are aware of that.

Mr. RAY. Right.

Senator D'AMATO. Without counsel, how did you come to that decision, and what was the vote of the Commission?

Mr. RAY. Mr. Chairman, I do not believe the decision would have been any different if we had had counsel. I do not believe we need counsel in making the decisions. I feel that the Commissioners are more than qualified to make these decisions.

The purpose of a part-time general counsel is on a day-to-day decision basis to assist in drafting the form in which our final rules are presented in order to appear more similar to the decisions written by other agencies in Washington.

However, I do not feel that the decision would have been altered by having legal counsel. The vote was unanimous. At that particular time, there were four Commissioners on board, and the vote was 4 to 0.

CABLE RATE ADJUSTMENT

Senator D'AMATO. Would you explain how you arrived at that decision from—am I not right that it was six-tenths of 1 percent?

Mr. RAY. The previous royalty rate was 0.799.

Senator D'AMATO. 0.799. I believe it was then increased to 3.75.

Mr. RAY. Yes.

Senator D'AMATO. There has been great concern expressed by some and support expressed by others for the Commission's determination. How was this increase from 0.799 to 3.75 arrived at, and/or what was the process of formulating it? The date of the decision and its implementation left very little time for the industry to adjust.

The decision was made in—maybe you can tell us—in October 1982 and the effective date was January 1, 1983. I think that is one point. Then second, again, the magnitude of the increase, I think, is something that the people still ask about. Obviously, this is a matter for the courts now. We attempted to provide a fair and reasonable time for those companies who pursued an appeal, those companies who wanted to pursue an appeal to take that. But it is an increase, and I think it is important, if you care to talk about it.

Mr. RAY. Well, first of all, Mr. Chairman—and I am not going to try to avoid your question—we have been advised by legal counsel from the Justice Department to refrain from discussions of the substance of the case in public because it is before the courts.

However, at this time, I would like to submit as part of the record of this hearing, a copy of our rule, our final determination, and also to submit for the information of the subcommittee, a copy of the brief that the Copyright Royalty Tribunal has presented to the court, which addresses and analyzes our decision in detail.

Based on the record and evidence that was presented before the Tribunal in these hearings, we feel that the 3.75 rate is a fair and reasonable rate.

We also must realize that 0.799 was the increased rate after the 1980 inflation hearing. The rate that was established in 1976 by Congress was 0.675 percent.

From conference reports and from other information that we were able to obtain, we find that the initial rate was set without economic studies and was set as a compromise between a fledgling new cable industry and the copyright owners, primarily MPAA.

The rate was set at a time when the retransmission of broadcast signals were primarily by microwave; presatellite distribution. Most cable systems were mom-and-pop systems and the primary purpose of the retransmission was to improve signals in mountainous areas and areas where there was difficulty with reception of over-the-air signals.

In this particular hearing in 1982, the copyright owners were represented by MPAA, National Association of Broadcasters (NAB), the

sports interests, music and devotional interests. The type of evidence that we felt was most valuable was an analogous market price value for distant signals under the compulsory license scheme. The NCTA, perhaps, could have presented a much better case had they presented any of the superstations. For instance, neither WTBS nor any other superstations participated. None of the cable companies who are intervenors in the court case participated. I am certain that if evidence had been presented by these companies, it certainly may not have changed the final determination, but a greater amount of consideration may have been given to the evidence NCTA presented.

We based our decision only on what was presented in the hearings, sir.

Senator D'AMATO. Commissioner, let me just ask you this, if you know.

Mr. RAY. All right.

GENERAL COUNSEL

Senator D'AMATO. By the way, I do think you need counsel. This field has ramifications of great importance to the American public, and it is absolutely essential that proper legal counsel be afforded, not only when you defend a decision and the Justice Department then defends that decision for the Commission, but in helping to formulate and review the legal arguments, the varying legal principles, the contractual obligations that govern. I think that it would provide the Commission with a very useful tool and format in addition to your own individual expertise, knowledge of the industry, the accounting backgrounds, and so forth. It would serve the total community, not only the Commission, for a relatively small investment.

I would also suggest that part-time counsel might be inappropriate as it might even lend itself to problems with conflicts, et cetera.

So for the small additional cost, I think that it might be worthwhile. Certainly, I am going to recommend that you look closely at this area. My inclination is to recommend counsel of some kind.

I do not know if this is an unfair question to put to you. If you do not have the answer, please do not attempt to answer the question. After the appeal process is completed, if, indeed, experience demonstrates that the rate increase has had an adverse impact on viewership, is there a procedure by which the cable people can move for a new rate?

Mr. RAY. Yes.

CABLE RATE ADJUSTMENT

Senator D'AMATO. Can you reduce the rate in future? I am not suggesting that while you have the pending litigation, obviously.

Mr. RAY. The only answer that I know that I can answer is that we will revisit this issue according to law in 1985.

Senator D'AMATO. Nevertheless, the rate now is in place until—

Mr. RAY. 1985.

Senator D'AMATO [continuing]. 1985, unless there is any judicial determination?

Mr. RAY. Yes sir.

There is one thing I would like to say in regards to the effective date in our decision. I did not finish that.

Senator D'AMATO. Yes.

Mr. RAY. There were four decisions that we had to make during this hearing: one was to set rates for any additional distant signals added after deregulation; second, to set rates because of the repeal of the syndicated exclusivity rules of the FCC; and two legal issues. One legal issue regarded the copyright owners petitions that royalty fees be retroactive to the date of the deregulation.

The second legal issue was a petition to add, as part of our decision, a provision for inflation hearings. The current royalty fee schedule that Congress passed provides for a periodic hearing to take into account inflation. In this hearing, the Copyright Royalty Tribunal did not agree with the copyright owners who felt that it would not be disruptive to the cable industry to pay royalty fees retroactively on signals added after deregulation.

However, in most instances, they had carried these new signals for a period of 18 months or more at the old rate. We felt that an effective date of January 1983 was a fair compromise between what the copyright owners wanted and what the cable industry had asked for, an effective date of July 1983.

Second, sir, on the surcharge for syndicated exclusivity, the copyright owners had presented evidence that the rate should be increased three to three and a half times the then current rate of 0.799.

Our final decision was to add a surcharge of 0.577 to existing rates. There has not been any objection from anyone, except the copyright owners, on this issue. The copyright owners also had petitioned for the surcharge to be added to the new rate of 3.75, which we refused to do.

The surcharge for syndicated exclusivity is included in the 3.75 rate. It will not be computed separately in the future if our decision is upheld by the courts.

It was also our opinion that there was no necessity to add an inflation provision for new signals. We felt that the basic subscription rates already reflected the impact of inflation.

Senator D'AMATO. Obviously, whenever one makes a decision involving the increasing of rates that can affect any industry, it is controversial, particularly when we are talking about two segments; one who has to pay, the other who will be receiving. The adversarial kind of relationship that develops leads one to understand the emotionalism and the great consternation that will probably develop regardless of what the final decision of the Commission would be, one way or the other.

Mr. Ray, thank you for your perspective on this issue. You have helped this committee, and certainly, you have indicated for the record in as forthright a position as the legal situation would allow, those considerations before the Tribunal. We will have to wait for the court's decision.

However, I think in fairness to all of the parties involved that the Copyright Tribunal should be afforded counsel, its own counsel that

develops the expertise and can ask the kind of probing and incisive questions that will help you to clarify further the issues that are presented before you.

I will ask Mr. Massey to put questions to you on what the qualifications and background should we be looking for in this counsel. Because you have to have certain expertise. I think it is important that we pursue that. These kinds of questions are not going to go away. If anything, they are going to increase in complexity.

Mr. RAY. Mr. Chairman, before we conclude, we did receive some very probing questions regarding this case from the Senate Judiciary Committee, and we responded in writing. We would be happy to provide you and your committee with a more detailed analysis of how we reached our decision.

Senator D'AMATO. Thank you. Thank you very much.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

GENERAL

Question: Last year for the first time the Congress set a limit on the amount of royalty funds the Tribunal could utilize. You indicated in oral testimony that you believe an even larger portion of the CRT should be financed through copyright royalties. How much more would be appropriate? What guidelines should this Committee utilize?

Response: In FY 1984, both Commissioner Ortega and myself agree that 70% of the Tribunal's required budget be re-couped from the appropriate royalty fee funds. We would recommend as a guideline for this Committee that the allocation percentage from the royalty fee funds reflect the ratio between the number of rate adjustment proceedings and distribution proceedings for a given year. I have attached a copy of our formal "minority" position in this matter which was addressed to your colleague, Chairman Fazio, U.S. House of Representatives.

Question: Two years ago former Commissioner James testified that his personal view was that the royalty rate review and distribution functions of the Tribunal could more properly be accomplished in the marketplace, rather than through administrative decision. You are a nominee of President Reagan. What is your view on this question?

Response: Personally, I agree with Commissioner James that we would like to see this occur. However, to my knowledge there has been no marketplace "mechanism" developed by the parties in order to make this possible. The Tribunal encourages all interested parties to reach voluntary agreements under the existing compulsory licenses in order to reduce government intervention.

Question: What action must the Tribunal take in FY 1984 regarding: cable television, phonorecords, jukeboxes, and non-commercial broadcasting?

Response: In FY 1984, the Tribunal will conduct proceedings in the following matters:

1. 1981 Cable Royalty Distribution
2. 1982 Cable Royalty Distribution
3. 1982 Jukebox Royalty Distribution
4. 1983 Jukebox Royalty Distribution

In addition to the above scheduled proceedings, the following decisions previously rendered by the Tribunal are currently in appeal before the U.S. Court of Appeals:

1. 1979 Cable Royalty Distribution
2. 1980 Cable Royalty Distribution
3. Cable Royalty Rate Adjustment: FCC Deregulation of the Cable Industry.

As required by the Court's decision, it may be necessary for the Tribunal to revisit any one of their final determinations in whole or part during FY 1984.

Question: How many days of hearings would you anticipate in FY 1984?

Response: The Tribunal anticipates spending approximately 50 days in hearings during FY 1984. It should also be noted that this projected figure does not include the time Commissioners will spend in preparation, review and deliberations.

Question: Last year Commissioner Garcia indicated that a general counsel for the CRT was not needed. Is this still the Tribunal's belief? What background and qualifications should a counsel for the Tribunal have? What salary level do you believe would be appropriate?

Response: The majority of the Commissioners still feel that the Tribunal does not need a general counsel. Under the statutory schedule for rate proceedings, there is no statutory rate proceeding during FY 1984, and therefore this issue will not arise until FY 1985, perhaps as provided in S 1270.

However, both Commissioner Ortega and myself believe that legal counsel is necessary to assist the commissioners in the formulation and presentation of their rule-making decisions after a decision has been rendered by the Commissioners. We believe that legal counsel for the Tribunal should have a strong background and experience in copyright law, communications law and federal procedure. This would necessitate a salary level of approximately \$45,000 per annum.

CABLE SERVICE

Question: Cable interests have charged that your decision to raise the royalty rate for transmission of distant signals to 3.75% is arbitrary and capricious. How do you respond to that charge?

Response: We believe that the rate is fair to all parties based on the evidence presented in the rate proceeding. Our detailed analysis of that evidence is found in the Tribunal's opinion.

It should be noted that in establishing the 3.75 rate the Tribunal made a number of determinations generally favorable to cable operators and adverse to the positions asserted by the copyright owners and broadcasters. The copyright owners and broadcasters maintained that the record evidence justified a rate substantially greater than 3.75. In addition, they urged the Tribunal to impose a surcharge on this rate to reflect the elimination of the syndicated exclusivity rule. The Tribunal, however, incorporated its syndicated exclusivity adjustment in the 3.75 rate and refused to impose a surcharge.

The copyright owners and broadcasters proposed that the royalty schedule include a cost of living adjustment mechanism, as had been provided in other rate schedules. The Tribunal rejected this proposal.

The copyright owners and broadcasters strongly urged that the new rate apply as of July 1, 1981 to correspond with the effective date of the FCC deregulation. While there is some logical justi-

fication for that position, the Tribunal determined that it would have a major impact on cable operators and consequently resolved that the rate schedule should have no retroactive application.

Question: What is the current status of the appeal of that decision?

Response: The appeal is still pending before the U.S. Court of Appeals, District of Columbia Circuit.

Question: Your decision in that proceeding was announced very late in the year, to be effective January 1, 1983. This was one of the key criticisms of that decision. How does this time span between announcement of decision and effective date compare with other proceedings? Why wasn't more time allowed for the industry to adapt to the decision?

Response: A comparison of the time span between the announcement of other CRT decisions and effective dates of the rate adjustments is as follows:

1. Terms & Rate Adjustment of Royalty Payments for Use of Certain Copyrighted Works in Connection with Noncommercial Broadcasting (43 FR 25068):
Date CRT decision was announced: June 8, 1978
Effective date of rate adjustment: June 8, 1978
2. 1980 Adjustment of the Royalty Rate for Coin-Operated Phonorecord Players (CRT Docket No. 80-1) (46 FR 884):
Date CRT decision was announced: January 5, 1981
Effective date of rate adjustment: January 1, 1982
3. Adjustment of Royalty Payable Under Compulsory License for Making and Distributing Phonorecords: Rates and Adjustment of Rates (CRT Docket No. 80-2) (46 FR 10466):
Date CRT decision was announced: January 2, 1981
Effective date of rate adjustment: July 1, 1981
4. 1980 Adjustment of the Royalty Rate for Cable Systems (CRT Docket No. 80-3) (46 FR 892):
Date CRT decision was announced: January 5, 1981
Effective date of rate adjustment: February 4, 1981
5. 1982 Adjustment of the Royalty Schedule for Use of Certain Copyrighted Works in Connection with Noncommercial Broadcasting: Terms and Rates of Royalty Payments (CRT Docket No. 82-2) (47 FR 57923):
Date CRT decision was announced: December 20, 1982 (in a public meeting)
December 29, 1982 (in the Federal Register)
Effective date of rate adjustment: January 1, 1983

Only in the 1980 Adjustment of the Royalty Rate for Coin-Operated Phonorecord Players was there a significant difference in the time span between the announcement and the effective date. 17 U.S.C. 116(b)(1)(A) directs that jukebox operators pay the required copyright royalty during the month of January. The Tribunal's rate determination was published on January 5, 1981 with an effective

date of February 4, 1981. The Tribunal determined that the rate adjustment should commence on January 1, 1982 to conform with the statutory date for the annual payment. We see no similarity between this situation, and the fixing of the effective date for the cable adjustment where cable operators were carrying the additional signals and programs as far back as June 25, 1981.

The only cable operators affected by the 3.75 rate are those cable systems in the United States who added additional signals without awaiting the outcome of the rate proceeding, which was initiated by petition to the Tribunal of the National Cable Television Association (NCTA). NCTA argued that an immediate Tribunal proceeding was urgent so that cable operators could make judgments as to whether or not they desired to add additional signals. At the time of the effective date of the Tribunal's adjustment, some operators were carrying additional signals at the unadjusted rates for up to 18 months. As previously mentioned, the copyright owners and broadcasters urged the Tribunal to make the royalty schedule effective as of July 1, 1981. The Tribunal declined to make any retroactive application because of its major impact on the affected cable operators. The Tribunal determined that an effective date of January 1, 1983 was a reasonable accommodation and provided more than adequate time for cable operators to make determinations as to which signals they desired to carry.

SUBCOMMITTEE RECESS

The committee stands in recess.

[Whereupon, at 12 p.m. Tuesday, April 19, the subcommittee was recessed to reconvene at 9:30 a.m. Thursday, April 28.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1984

THURSDAY, APRIL 28, 1983

U. S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 9:30 a.m. in room S-126, the Capitol, Hon.
Alfonse M. D'Amato (chairman) presiding.

Present: Senators D'Amato, Stevens, and Hollings.

ARCHITECT OF THE CAPITOL

STATEMENT OF GEORGE M. WHITE, ARCHITECT OF THE CAPITOL

ACCOMPANIED BY:

WILLIAM L. ENSIGN, ASSISTANT ARCHITECT OF THE CAPITOL
ELLIOTT CARROLL, EXECUTIVE ASSISTANT
WILLIAM F. RAINES, JR., ADMINISTRATIVE ASSISTANT
J. RAYMOND CARROLL, DIRECTOR OF ENGINEERING
EMANUELE CRUPI, BUDGET OFFICER
J. LEWEY CARAWAY, SUPERINTENDENT, SENATE OFFICE BUILDINGS
HENRY C. KILBY, JR., ASSISTANT BUDGET OFFICER

CHAIRMAN'S REMARKS

Senator D'AMATO. The committee will come to order.

I have some brief remarks before we hear from our esteemed Architect, the Honorable George M. White.

One of the issues that the subcommittee must address relates to the West Front of the Capitol. I understand this issue involves questions of esthetics and architectural judgment. I also have only the highest personal regard for the Architect of our Nation's Capitol, George White.

However, from what I have learned so far, I remain personally unconvinced that a major extension of the West Front is warranted, either architecturally or economically. Clearly, the burden of proof must rest with those who would have Congress appropriate large sums of money to fundamentally alter the West Front in an era of fiscal constraint and heightened awareness of the imperative of historic preservation.

It would seem to me that we might better be advised to restore our beautiful Capitol, rather than encircle it with a facade. The Capitol, like America, must change, but like the changes in our political institutions, alterations in the physical centerpiece of our Republic should be thoughtful and should preserve the basic character embodied in this great building.

In a word, we might be advised to give this grand old building a facelift, rather than a new face.

Those were carefully prepared remarks by staff.

To put it a little more succinctly in my own style, it's just not going to go, just no way. I think it would be absolutely shocking to entomb the Nation's Capitol. Senator Hollings and I have had some discussions on this. Yes, we must preserve it and that can and should be done, but I am certain this is one Senator who would be very, very, very reluctant to put a new extension on the West Front and turn it into just another grand old office complex.

We are talking about our Nation's Capitol and the only original wall that is exposed. I just think that would be shameful. I don't want to see us building any new buildings in any event. That is my own pet peeve.

REMARKS OF SENATOR HOLLINGS

Senator HOLLINGS. Mr. Chairman, I am right in step with you, sir, and I appreciate your directness on this score. The fact is that there are two historic sites on this Hill. One is Jennings Randolph of West Virginia—

[Laughter.]

Senator HOLLINGS [continuing]. The other is the West Front of the Capitol. I served in your particular role some years ago, and as the distinguished Architect knows, we had the most comprehensive hearings heretofore held. The rumors were afoot that a helicopter, if it came close, would be setting up vibrations and the wall, like Jericho, would come tumbling down. And then we couldn't have planned it that way, obviously, but some nice energetic students came in and secured five sticks of dynamite right under the West Wall and blew up the Senators' restroom. It cost us thousands of dollars to repair the damage, but it didn't disturb the wall. During these hearings we noticed all that infrastructure—a good word around this town—that had been raised there by Dr. White's predecessor, had rotted out and were worthless.

It would be my hope that we could scrub all that away and clean it up and wash it down without much cost, even right this afternoon on a big, beautiful day like this. It can be cleaned up, and it is safe, and it is not about to come tumbling down.

We next then go to the matter of cost. What we could afford, and it costs at this particular time, Mr. Chairman, even though you and I would opt for restoration, we might have a difficult time finding the money for restoration right now. These kind of things hold.

The sad thing is that the Nation itself is turning to historic preservation. If you go to Selma, Ala., they are having a historic preservation project on foot with old colonial homes on the national register, and participating in the national policy of setting aside these historic sites. It is a welcome move; it is something to be fostered and nurtured and supported. Here, amidst this move even into the small rural towns of America, we come right to the foremost shrine of liberty and the famous Olmsted terraces, and find those that want to deface both the West Front and the terraces by changing the front to make it look like the Dorchester County Jail.

It would just fill in all of the particular alcoves and in reality, suffer from what I had termed years back, "people pollution." We had an expert study made and we can only handle about 35,000 to 36,000 at most at the height of the summer. We have shaped out and programed the different Capitol guides, and even though you might put a lot of officers there, you can't make this hall or that room or that part or whatever any bigger. We can't hold any more.

UNDERGROUND EXPANSION

If there were a need for room it can be provided by the underground approach which we studied very carefully for the water levels and everything else on both sides. If you really needed large hearing rooms for the Government in the sunshine approach with the press, where Members could just walk over and take the elevator to the floor while engaged in these marathon hearings of the Watergate type, they could be accommodated in an underground structure. We certainly do not need more office space, as the distinguished chairman has pointed out now, and hideaways at \$185 and more a square foot.

We studied the space use with Dr. White and the architectural staff at that particular time. We had all kinds of nonessential functions such as barber shops, the photographers' rooms, the Disbursing Office, and Document Room, and everything else of that kind. We found that the additional space itself really was not needed.

Then we referred our problem to the experts themselves, the American Institute of Architects, the National Trust for Historic Preservation, and they have reviewed the miniextension scheme of the Architect, and they made reference to the master plan for Capitol Hill, and they unanimously came down on the side of restoration.

Of course, last of all, Dr. White, let's say that what a man will do in public office is best told by what he has done. Performance is better than promise, and the estimates of costs have not given us any real encouragement, whether it be the Madison Memorial Library, the Hart Building, or any of the particular buildings in this town. It's a mystery to me, not just here on the Capitol, but it is all over, but we have these huge cost escalations. I went through the J. Edgar Hoover FBI building on this committee. It was running a million dollars a month in overruns. All of them have gone way above and beyond.

With all of those, I agree with what you say—you said there ain't no way, anyway?

Senator D'AMATO. That is a little Brooklynese.

Senator HOLLINGS. There is no way, I am sorry, that is right, no way. I second the motion on "No way."

Thank you.

PREPARED STATEMENT

Senator D'AMATO. Thank you, Senator Hollings. I believe you have submitted your formal statement to the committee staff and, without objection, we will place it in the hearing record at this point.

[The statement follows:]

STATEMENT OF SENATOR HOLLINGS

Mr. Chairman, and members of the subcommittee, I commend you for holding this hearing on the West Front of the Capitol. This matter has been neglected for far too long, and I welcome your interest.

As the chairman of the Legislative Branch Appropriations Subcommittee, I held the most comprehensive hearings ever held on this issue in 1973 and again in 1974. Following those hearings, the Senate voted to restore the West Front in 1973 and 1974. (The House of Representatives, by a close vote of 192 to 203 in 1974, narrowly defeated a motion to agree with the Senate's position.)

It is tragic that we didn't move forward with restoration at that time. We could have accomplished the necessary repairs for approximately \$20,000,000 instead of sitting on our hands in the interim and neglecting this shrine that has been exclusively entrusted to our care. The taxpayers have been the big losers by the delaying tactics of those bent on entombing the last remaining visible facade of the original Capitol.

The driving force behind expanding the Capitol has been our intrepid Architect of the Capitol, George White. When Mr. White appeared at our hearings in 1973, he stated that the wall could be sufficiently strengthened by either restoration or extension. He said that expansion was necessary to accommodate the additional space requirements of the Congress.

The following year we went deeply into the allocation of space in the Capitol. We exposed the nonessential functions, such as the Architect's Office and shops, barber shops, photographers' rooms, joint committees, et cetera, that occupy so much of the space in this building and destroyed the notion that additional space was required. The Senate has now moved the photographers, the Document Room, and Disbursing Office out of the Capitol. Our challenge still is to further clean out our closets instead of building an addition to our house.

Mr. Chairman, during hearings the last month in the other body, including our Legislative Appropriations Subcommittee counterparts, restoration of the West Front was supported by the American Institute of Architects and the National Trust for Historic Preservation. These two outstanding organizations eloquently stated their support of restoration to the subcommittee. An AIA task force that included the renown I. M. Pei, reviewed the Architect's miniextension scheme in 1979 and unanimously recommended restoration of the West Front. Both of these organizations made reference to the master plan for Capitol Hill, which the Architect said will accommodate the future special needs of the Congress without expansion of the Capitol.

The Architect's own professed desire to enlarge the Capitol gives me concern that his restoration costs are overstated, while the cost of extension is understated. Those of us that were burned by the Architect's estimates for the Madison Library Building and the Hart Senate Building are wary of the Architect's estimates.

In deference to the Architect, he has been entirely straight forward in his effort to gain the White addition to the Capitol. At least he has not resorted to erecting the silly shoring that his predecessor put up to scare Congress into extending the West Front. Our hearings in 1973 showed that effort to be "more theatrical than structural." The West Front needs to be repaired, but it is not falling down. Five sticks of dynamite in 1971 didn't damage it; nor did the downward thrust from President Nixon's helicopter, after years of shooing away planes for fear that the wall would tumble like Jericho.

Mr. Chairman, it is high time we got on with restoration of the West Front. I am eager to work with you in providing what it takes to preserve and protect this national treasure in which we now meet.

INTRODUCTION OF MR. WHITE

Senator D'AMATO. Mr. White.

Mr. WHITE. It is not quite clear to me how best to proceed at this point, Mr. Chairman. [Laughter.]

Senator D'AMATO. With extreme caution. [Laughter.]

Mr. WHITE. I had intended—and of course, I will proceed in any way you direct—I had intended to briefly run through our basic justifica-

tions for the major appropriations and leave some of these other items until the end where they could be discussed at some length if you so choose.

Senator D'AMATO. Go ahead.

DESCRIPTION OF THE ARCHITECT'S DUTIES

Mr. WHITE. Starting in that particular direction, then, Mr. Chairman, I thought it might be useful, in light of the fact that there is a new chairman this year, to briefly describe what the Office of the Architect does so that the justifications, then, have a basis in description of the Office.

The physical jurisdiction of the Office encompasses almost 300 acres of Capitol grounds and includes not only the Capitol Building but the six House and Senate Office Buildings, seven House and Senate annexes, the House and Senate garages, Supreme Court Building, three Library of Congress buildings, the Capitol Power Plant, and the Botanic Garden. That is the physical jurisdiction.

DESIGN FUNCTION

The Office itself is divided into four major functional areas. One of them is design. We have a small, in-house design staff that can handle modifications and moving partitions and the myriad of changes that are taking place on a continuous basis within these roughly 12 million square feet of buildings under roof that we have here.

We, of course, for major projects, contract with outside engineers and architects for major work. We are not staffed to be able to do that. It would be inappropriate.

Senator D'AMATO. Sure.

CONSTRUCTION MANAGEMENT FUNCTION

Mr. WHITE. The second area is that of construction management. We manage the construction of any new buildings, we also do alterations of these existing buildings with in-house forces, and when outside contractors are hired, we manage that. So we have a Construction Management Division.

We do our own inspecting of the construction when other contractors are performing the work, because we come under no other governmental jurisdiction for that purpose.

PROPERTY MANAGEMENT FUNCTION

The third area is one that I term property management. As you know, there are over 20,000 people that come to work here on the Hill every day and, in effect, we manage the properties, provide the things that tenants in the building need. We maintain the buildings, make sure there are paper towels in the paper towel holders, custodial work, the entire gamut of requirements including mechanical systems that property management entails.

GENERAL FUNCTIONS

The other area I term general. It just doesn't fit into any other ones. There are some areas like the operation of the Capitol Power Plant, which is a very specialized function. We furnish, from the Capitol Power Plant, all of the steam and the chilled water for heating and cooling all of the buildings on the Hill. We furnish steam for the District of Columbia main post office, for the Government Printing Office, and for the Folger Library. We also furnish cooling for the Folger Library. All of this, of course, is provided for by law.

The Architect of the Capitol functions include care of the Capitol grounds, the operation of the Senate restaurants, and the operation of the Botanic Garden. The Architect is the acting director of the Botanic Garden. Also, by law, the Architect is a member of the District of Columbia Zoning Commission which controls the use of land in the District of Columbia and, again by law, a member of the Board of Directors of the Pennsylvania Avenue Development Corporation, the Advisory Council on Historic Preservation, as well as the newly created House of Representatives Page Board, the Capitol Police Board, and so on.

I mentioned those to indicate the scope of activities which is quite broad and has expanded over the last 50 years.

Another factor that needs to be recognized is that when we construct a new building—perhaps we don't do any more very soon—but as we do, those become part of the maintenance operation, so that we don't build it for somebody else and then somebody else has the problem. It becomes our problem to continue maintaining.

That is an oversimplified description, but I thought it might be useful as an overall picture of the work of the Office.

I will briefly summarize even this brief statement submitted for the record, of course.

FISCAL YEAR 1984 REQUEST

The total appropriation request for fiscal year 1984 is \$90,229,000, which includes funding for 2,069 positions. This represents a net decrease of \$15,120,000 from the fiscal year 1983 totals and an increase of only 8 positions over the 2,061 that were in existence last year.

Those numbers change if we eliminate House Office Buildings and, of course, the net reduction is a result of some increases and some decreases in various items which are given here, and I won't dwell on them in detail at this point.

The increase of \$8,700,000, which is reduced, then, by the decreases in netting out to the \$15 million decrease, is composed of five categories: Mandatory items, which totals \$1,431,000, or 16 percent of the increase. These include annualization of Civilian Pay Act and wage rate pay increases effected and provided for by law that we must do. New positions, which is 2 percent of the increase, the total \$169,000, eight additional positions are requested and justified in detail in the justifications, and I can respond to questions about those if you wish.

I believe that it is very important that those eight positions be provided, for as I have said in the justifications, particularly in the light

of cost savings that can be effected by the addition of at least three of those people in the cost-savings area.

Annual recurring maintenance, which totals \$1,294,000, is 15 percent of the increase. There are three major items in that annual recurring maintenance category: \$600,000 for the purchase of low-sulfur coal through the Federal Supply Service for use at the Capitol Power Plant. We anticipate increases in the coal costs, and that amount is to provide for that, \$75,000 for a miscellaneous improvements allotment in the Capitol Power Plant. That is the only appropriation which doesn't have such an item to handle unforeseen circumstances that arise and for which we report each year; and \$118,000 to provide funding for the maintenance and rental of office and computer equipment. And the balance is, really, a result of inflationary increases in the costs of materials for annual maintenance.

Cyclical maintenance is another category, Mr. Chairman. I use that term to describe items such as roof repairs and sidewalks which are, maybe, 20 years from one repair to the next, so it is a maintenance item, but it is such long term, I call it cyclical maintenance. Properly done, I suppose accountingwise, one would add a certain amount to a reserve account each year so that in 20 years, it would add up to what you needed to replace a roof.

That is 32 percent of the increase this year. The four largest items involve reconditioning of various air-conditioning systems in the Capitol Building, our roof replacements in the Capitol Building, resurfacing of the Capitol Plaza, and items of that nature.

The last category is termed continuing and initiating other programs which totals 35 percent of the increase, and these basically include a computer graphics design system, renovations and remodeling of the Longworth carryout and the Rayburn cafeteria, which are House items but are, nevertheless, part of the total; 24 office intrusion alarm systems and a video display system, expansion of the intrusion detection system—these are security items—and construction of a new ash silo at the Capitol Power Plant just to give an idea of the kind of items that compose that category.

TWO ITEMS WITHDRAWN

There were items, Mr. Chairman, which were originally included in this category that we ask to be withdrawn at this time. There was a \$378,000 request for Senate Office Buildings which included two items: Activating the return cable of the CATV system and a design study for the Immigration Building.

Funds have been reprogramed from other categories to provide for that, so we ask that it be withdrawn from the justifications.

FISCAL YEAR 1983 PROGRAM SUPPLEMENTALS

I have requested three program supplementals, Mr. Chairman, for 1983. Two of these projects were included in the 1984 budget, and they are Senate Office Buildings furniture and furnishings of \$8 million, and a House item which involves funds reprogramed for the work required to provide a page dormitory in House Office Building Annex No. 1, which the Senate pages are capable of using, as well.

The third is the Library building and grounds for renovation and restoration of the Jefferson and Adams Buildings of \$72,272,000, which was transmitted subsequent to the 1984 budget.

And the last item, of course, Mr. Chairman, is the one to which you referred, that, through action on the House side, we submitted a supplemental request of \$73 million for extension of the West Front of the Capitol.

That completes the brief statement. I might say in passing, Mr. Chairman, that regarding the Library item, we could proceed with that in whatever order you care to.

Senator D'AMATO. Why don't we take that statement now before we open it up to questions.

Mr. WHITE. Thank you.

LIBRARY OF CONGRESS

STATEMENT OF DANIEL J. BOORSTIN, LIBRARIAN OF CONGRESS

RENOVATION OF THOMAS JEFFERSON BUILDING

Senator D'AMATO. Good to see you again.

Dr. BOORSTIN. Thank you, Mr. Chairman.

I would like to make a very brief statement.

The restoration of and renovation of the Thomas Jefferson Building of the Library of Congress provides us a unique opportunity in our lifetime to refurbish one of the grandest monuments of 19th century America.

This building is one of the most successful efforts of any modern nation to construct an architectural self-portrait of its culture and its aspirations. No other nation possesses a comparable home for its national library.

I would, again, Mr. Chairman, and the other members of this committee, invite you to tour this building to see its beauty and also the desperate need for restoration.

I might say, incidentally, Mr. Chairman, in view of the remarks made earlier, that the support of this project would be one of the most important things that the Congress could do to express its support of the nationwide concern for the preservation of our historic monuments, of which the original Library of Congress building is one of the greatest.

LIBRARY PLANS FOR FUTURE

We, at the Library of Congress, have collaborated with the Architect of the Capitol and Arthur Cotton Moore & Associates in planning. We have given close attention to details to assure that the design and drawings maintain the integrity of this great monument, while at the same time preparing it for its most effective 21st century use.

We must be prepared to meet the ever-growing, ever-changing scholarly needs of our citizens and the information needs of our Congress. To this end, the plans for the Thomas Jefferson and John Adams Buildings include extensive electrical and mechanical work to make the space capable of handling new technologies in information storage and retrieval. But we have been working with the Architect, Mr. Chairman, to be sure that these electrical and mechanical facilities will be introduced in the way least obtrusive to the original architecture and not to disturb its original design.

NEWLY-DESIGNED CENTERS OF RESEARCH

In addition, newly-designed centers of research will converge the old and new sources of knowledge, reading rooms in the sciences, the hu-

manities, the social sciences, and in all civilizations, and greatly improved facilities for our Rare Book and Special Collections and Science and Technology Divisions.

Although the Adams Building would be restored to its original purpose, a building to house a major portion of our book collection, space must be renovated for approximately 800 staff members. That has been added since that building was constructed.

The Nation and the world expect us to keep the greatest library in the world in its pristine glory and equipped to serve the needs of modern civilization. Not to undertake this restoration would leave the Jefferson Building in disrepair and subject to further deterioration.

The refurbishing we now urge would insure the efficiency of the building and produce long-term economy in its use.

I hope, Mr. Chairman, that this committee will concur in the request of the Architect of the Capitol for renovation and restoration of the Library of Congress Thomas Jefferson and John Adams Buildings.

I will be glad to answer any questions you may have.

Thank you, Mr. Chairman.

CONSTRUCTION COST ESTIMATES

Senator D'AMATO. I have a number of questions which I will submit to you for the record, but I think this is important: One of the problems that, I think, troubles many, not only in the Congress, but the public as well, is tremendous cost overruns in construction. Obviously, the Hart Building is a prime example.

How confident are you of the estimates with respect to the refurbishing that you suggest?

Indeed, I feel very strongly that you make an excellent case in terms of keeping our Library functioning, and preserving the glory, the architectural splendor of these buildings.

There is little doubt that this is important.

But how confident are you about those figures?

Dr. BOORSTIN. Mr. Chairman, I cannot speak as an architect. We must rely on the judgments of experts and the confirmations of this committee as to those figures.

I cannot speak to the figures, Mr. Chairman. In our opinion, they have been made by competent architects. We have worked closely with the Architect and with Arthur Cotton Moore & Associates who have had experience in this kind of work before. So far as we can tell, the estimates are realistic, but I cannot assure the committee of the accuracy of the predictions in detail.

Senator D'AMATO. There are a number of questions that I will put to you both, Dr. Boorstin and to the Architect, with respect to a possible time scheduling of appropriations, as opposed to one lump sum, as there is a request for some \$72 million here.

Then I think we should develop some alternatives in terms of attempting to hold down the total cost of this. I just think that these are difficult economic times, and we have to recognize the sensitivity of these undertakings; that sometimes we can do more damage to the cause and delay inordinately, if not defeat, the entire purpose of which you speak.

It is important that we have a functional and well-maintained library and, to the extent that this committee wishes, at least the chairman, would like to cooperate.

But I think we have an impossible task in dealing with an appropriation of this magnitude at this point. It would be difficult, if not impossible, to get Congress to move in that manner at this time.

That is my own judgment on it.

I am wondering if you could not cut the scope of this restoration down, or at least the cost. Do the major work first and then, possibly, even look to alternative sources of funds; the American public might be willing to donate once the cause is spelled out.

HART BUILDING FUNDING

I think that might be another way to approach this.

Mr. White, what was the original estimate for the Hart Building?

Mr. WHITE. The first number that was based upon drawings and a program was \$85 million. The first funding that was made—that is, the first appropriation—was \$48 million, but that was without drawings, without plans, without a program, without even knowing where the building was going to go and how big it was going to be.

It was appropriated on the basis of getting a start. We had no architect hired at that point to engage in the process.

So that the appropriation that was finally based upon a set of designed drawings, after Senators met and decided what should be in the building, was \$85 million. From that to the final number, Mr. Chairman, there was \$30 million in escalation which took place as a result of massive inflation during that period; there was another \$10 million worth of what we would call quality improvements to the building. That was agreed upon by the Senate Office Building Commission; and there was about \$10 million added as a result of some space that was added in the course of going from design development to working drawings. That is how the increases developed. In addition, we completed the programed work for at least \$5 million less than the amount appropriated. Those funds, as directed by the Senate, are being used to finish uncompleted areas of the building.

In the case of the Library—

HART BUILDING DOORS

Senator D'AMATO. Have you seen those doors in the Senators' offices? That is the most incredible situation I have ever seen. For us to have accepted doors in every office like these is incredible. Do you know that the doors to the Senators' offices have at least a quarter- to a half-inch of gap in them?

Mr. WHITE. That is about to be modified.

Senator D'AMATO. Modified?

Mr. WHITE. Yes.

Senator D'AMATO. But that is incredible. That is absolutely disgraceful.

Did you see those ceilings? Do you ever go into a racketball court? It reminds me of a racketball court. And air conditioning that gives off the most incredible noise. It is an echo chamber.

I mean, there is no acoustical finishing. You are in an echo chamber. The doors don't close properly, not just in one office; it is in every office. That is my own personal observation.

Senator Stevens is here. I know he has some questions, but I also know he has some time constraints. I will yield to him, but we have a list of questions that I would like to go over.

Senator Stevens?

DECORATIVE BRONZE SCREEN

Senator STEVENS. Thank you, very much, Mr. Chairman.

I have come primarily because of some problems that have come to my attention, Mr. Chairman, from chairmen of other subcommittees. For instance, the Congressional Research Employees Association over at the James Madison Building have given me some clippings and what-not about your proposal to hang a bronze sculpture of falling books in front of the James Madison Building.

Can you tell us something about that; where that came from, and why it is to be put in front of a window?

Mr. WHITE. Yes.

That piece of sculpture was a part of the original design of the building, provided for in the very beginning.

Senator STEVENS. How long ago?

Mr. WHITE. It must be 1971.

Senator STEVENS. Where has it been since then?

Mr. WHITE. Well, I am referring to a time that was before the building was constructed. I am saying it was on the drawings and the plans from that time forward. It has always been there.

The building, of course, has just been completed. There has been some delay, and the submittal of the material by the foundry that was making the bronze pieces for the sculpture was delayed because they had some internal difficulties in their company.

They had the misfortune to have their foreman die and things of that nature. It is not germane to the problem, but it indicates why there was delay; we have done everything we could to force earlier delivery. That is the history of how long it has been and why it has been delayed.

It is the judgment of all who have looked at it, from the art standpoint, that it is a very powerful piece of sculpture, which has been designed to add to the exterior decor of the building. It is proceeding on that basis. It is, in effect, bought and paid for, and the building is designed to receive it.

AUTHORIZATION OF SCULPTURE

Senator STEVENS. Have the legislative committees specifically authorized the installation of this sculpture?

Mr. WHITE. Yes. It was part of the original authorization and plans for the building from the beginning, as was, for example, the statue of James Madison and the fountain sculpture which is on the interior of the building in the interior atrium.

There were three works of art authorized and funded from the beginning.

Senator STEVENS. Is it already paid for?

Mr. WHITE. Yes.

Senator STEVENS. Is it true that this is the only common access window for three divisions that work for the Congressional Research Service, dealing with the manner in which they obtain, literally, light, direct light?

Mr. WHITE. It is over the main entrance doors to the building, and there are glass panels above the entrance doors which extend for the entire height of the building and open into the main entrance lobby. It is a common area for all who enter the building at the lower levels, and faces a corridor on the fifth floor and reference areas on the third and fourth floors.

This screen is not a solid screen, Senator. It is composed of pieces of bronze in the shape of books of varying sizes, but there are spaces between them and the sculpture will not be blanking out the light as though it were a solid shade of some kind.

It will be of value in the eyes of those of us who have been involved in the design as a decorative piece of work on the exterior of that building for the millions of people that go by the front of it.

The art world has been involved in this in the form of the sculpture societies.

Senator STEVENS. The art world has been involved in all these sculptures that are gracing the Federal buildings around this country, and I have just come back from Alaska and seen two of the new ones around the Federal buildings in Alaska.

I wonder who they are laughing at in terms of the things that are being placed on our Federal buildings?

Mr. WHITE. I would agree with that. I have seen some of those myself. I think this is not in that category, but, again, beauty is in the eye of the beholder.

Senator STEVENS. I understand that. I invite you to take a look at the one outside the Anchorage Federal building, a group of panels with lights that have strange colors that have an interesting impact in the wintertime in the northern area. I don't quite understand it.

Do you have any comments about that falling book sculpture?

JAMES MADISON BUILDING SCARCITY OF WINDOWS

Dr. BOORSTIN. Yes, Senator, Mr. Chairman, I do.

That, as the Architect has indicated, the plans for that building and the sculpture were made before I came in as Librarian of Congress.

When the building was prepared for occupancy, I regretted the scarcity of the windows in the building.

I will say, Mr. Chairman and Senator Stevens, I share the concern of the employees. I think it is appropriate that they should be concerned. The building, I think, has many virtues, but it also has some serious limitations. Light is one of them.

There were, however, either by design or by accident, windows left out. There are some windows at the entrance of the building, which reflect the original library building which was a delight to behold.

When I discovered there was a plan to put up this large piece of bronze, I would say, Mr. Chairman, and Senator Stevens, I made every effort that I could to stop it from going up. I was told that it had already been authorized and that it was impossible to prevent it from going up.

Now, to our additional dismay, there is a large barrier, wooden barrier going up in front of the Library of Congress, which will make access difficult.

Senator STEVENS. What is that?

Dr. BOORSTIN. That is to prevent people from being injured while that bronze plaque goes up. It is enormous; it is a very heavy object.

So I can simply say that it seems to me that they are the two most difficult things in Washington: To build a building or stop something from going up.

STATUS OF BRONZE PLAQUE CONSTRUCTION

Senator D'AMATO. What is the status of this construction project right now?

Mr. WHITE. The library building is completed.

Senator D'AMATO. I am talking about the screen.

Mr. WHITE. It is being installed at the moment.

Senator D'AMATO. Let me ask you something: If you told them to stop, they would stop, wouldn't they?

Mr. WHITE. Yes, of course.

Senator D'AMATO. If we told them to stop, would they stop?

Senator STEVENS. That would be my intention, to put an amendment in this bill to require that to be stopped until the authorizing committees have approved it. It is my understanding that the Environment and Public Works Committee has reviewed an amendment on this matter some time ago. It was too late to get it on at the end of the last Congress, and there apparently has been really no consideration given to it in this Congress, despite the fact that there is a considerable concern about it.

If we require the sculpture—if it is worthwhile, I would assume it could hang somewhere else.

JAMES MADISON BUILDING CONSTRUCTION JURISDICTION

Mr. WHITE. Let me submit two pieces of information, if I may, Senator, and Mr. Chairman:

The jurisdiction over the construction of this building is provided for, of course, by law. It is somewhat unusual. There are three congressional entities, which, together, under the law, form the jurisdiction over the construction of the building.

That has been true from the beginning: The House Office Building Commission, the Senate Office Building Commission, and the Joint Committee on the Library.

For a time, in order to expedite action on the part of that group, a coordinating committee was established by the individuals who formed those three congressional entities. We have proceeded only at their direction. Obviously, the Congress can do whatever it pleases. It passes laws all the time, but I wanted to indicate what the present jurisdiction is.

Senator D'AMATO. Has the Joint Committee on the Library given you any opinion with respect to this?

Mr. WHITE. Yes. They have supported this from the beginning.

Senator STEVENS. Well, they can have a chance to decide on the basis of what they do. We have got the supplemental coming, and we will just have to raise the issue and see whether this is to be stopped.

I think the employees are entitled to come to the committees of Congress and be advocates for their cause. If there is a problem, I would like to raise it. So I just want you to know I intend to raise it.

Senator D'AMATO. I think my colleague raises a point that may be moot or academic if the work is proceeding apace. Then we have a fait accompli so that your action, which I would support, given the testimony of our distinguished Librarian, may then pose some very real problems in terms of cost and how much more it would cost to take it down. We will, then, be viewed by the public and the press, and rightfully so, as people who spent all this money and then had to take it down.

My suggestion would be to the Architect, since we have waited so long, that we are perfectly within our right at this point in time to suggest that you withhold further construction so we don't add to the cost of this situation. Because, otherwise, it is going to be a laughing stock of the American people.

They will come in and say, "Look at this. They put this thing up, they have impeded the library, they have impeded its use, et cetera, and now they are going to take it down." And, then, we will look at one of these golden fleece awards.

I don't want to get a golden fleece award. I want to stop it now.

Senator STEVENS. I hope we can. I don't know that we can direct that.

Senator D'AMATO. Can you stop it?

Mr. WHITE. May I respond to that?

Senator D'AMATO. Yes.

Mr. WHITE. You place me in a very awkward position. I work here, and I have to take my direction from the entities that the Congress says, by law—

Senator D'AMATO. I understand, and if you had to order a delay on this, Mr. White, and tell them to withhold until we have an opportunity to get the various committees in action to review this situation, they would probably most likely agree that we should do something.

It doesn't make much sense. What would be the timeframe?

Senator STEVENS. I don't know. We will put a statement in the record today that we have asked you to do it. You make up your mind whether or not to do it.

I have two other questions to ask, Mr. Chairman.

HART BUILDING FLOOR LOADS

One is, I am concerned about the continued reports that I get that heavy objects, in particular file cabinets, cannot be put in certain parts of the rooms that have been assigned to junior Senators in the Hart Building.

I am told that there are some of the rooms where the files have to be back from the wall a good 4 or 5 feet—is that right—because they have to be placed on beams and there are no beams in those rooms?

Mr. WHITE. Ordinary files can be placed anywhere in that building. If there are special heavy pieces of equipment, not ordinary pieces of equipment, such as safes or matters of that nature, the building, like any other office building, is designed only to accept a certain average load.

If there are special heavy loads placed on it, they cannot be placed just anywhere.

Senator STEVENS. I am chairman of the Ethics Committee. I am told that in one of the rooms my committee is to be assigned, the files cannot go up against the wall, and they are just normal files. I don't think we put lead in them. [Laughter.]

Mr. WHITE. If they are normal files, Senator, there isn't any reason they can't go anywhere.

Senator STEVENS. I wish you would check that.

Mr. WHITE. Be glad to.

Senator STEVENS. I think we are disturbed for having to bear the responsibility for this Hart Building. I voted for the moneys as they came up, and I wish I hadn't. I can tell you right now, I wish I hadn't, with all the trouble that is coming out of that building.

OUTSIDE INCOME DISCLOSURES

I want to ask you something, and it may sound a little personal, but I am chairman of the Post Office, Civil Service, and General Services Subcommittee and have received an inquiry on this subject. Are you required to file disclosures on your outside income?

Mr. WHITE. Yes.

Senator STEVENS. Under what law?

Mr. WHITE. Under the law that requires everybody who earns a certain amount of money in the government to do such a thing and, under the law, I am required to file with the Clerk of the House of Representatives, and I will file there each year.

Senator STEVENS. You don't file a disclosure like everyone else and file it with the—

Mr. WHITE. Yes.

Senator STEVENS. What is that?

Mr. WHITE. Well, the Senate files on the Senate side, and the House files on the House side, and the Architect's Office was directed to file on the House side by law.

Senator STEVENS. Is it available to the public?

Mr. WHITE. Of course, yes.

Senator STEVENS. We had some information that it was not; that there was some allegation concerning outside consulting fees that you had earned in the past few years that had not been disclosed. Is that the case?

Mr. WHITE. Not true. It is all available to the public. I have earned no outside consulting fees in the last several years or, to my knowledge, since I have been here. But everything that I have earned has been completely disclosed, open to the public.

Senator STEVENS. All right. I just want to make sure. That was not the information my subcommittee had, and I wanted to make sure of that.

I appreciate it, Mr. Chairman. I am sorry I have to run. Thank you very much.

BRONZE PLAQUE INSTALLATION DELAY

We will put that statement in the record, if you would like to join us, that the bronze sculpture be held up until the authorizing committee can look at it.

Senator D'AMATO. I think that is important, because the entire Congress is going to be embarrassed, and I don't want to be embarrassed. You tell me it's not in a funny spot. Are any of the other committees telling you you must go ahead with this?

DIRECTION OF MADISON LIBRARY AUTHORIZING COMMITTEES

Mr. WHITE. In the sense that—no, no one has said that.

Senator D'AMATO. Mr. White, I am a rather plain spoken person. Don't play legal gymnastics with me. I think it is perfectly reasonable, given the state of facts—I understand what you are saying—that you would withhold for a period of time, given a request from this committee, given the concerns of the Librarian, and obviously, Dr. Boorstin is not one who is given to hysteria. He has stated very factually the problems that can and will develop; the problems that already exist. This would be a prudent act. Certainly, no one would take you to task if there would be a delay to give us the opportunity to review this so that we don't compound a problem that exists already.

Mr. WHITE. I will be glad to.

Senator D'AMATO. Doesn't that seem to you to be the appropriate action—this has already been held up for how many years?

Mr. WHITE. Several.

Senator D'AMATO. Several, so it has been held up for several years. Supposing it came to you as a result of the request of the Librarian and he said, "Look, this could be a major problem."

Wouldn't it seem appropriate to you to use your discretion, as you do in many cases, obviously, to withhold going forward and then come to the committees and say, "This is a problem. We would like to defer this because this is what has come to light." You don't need an instruction from this committee. You mean to tell me because you have something set contractually that you find out later would create an incredible, horrible problem, that you just go ahead and say, "Well, I was instructed to do it?"

Mr. WHITE. No, no, of course not.

Senator D'AMATO. You don't need this. Let me tell you, when you start telling me this, "Oh, well, I have these other committees," that is nonsense. I have been in government a lot of years and ran a town with 3,000 employees. If I ever had a commissioner who said to me, "Oh, well, we bought this, and so I didn't want to hold it up," I would fire him.

I don't think if you have a problem like this that you can avoid that you should go ahead and put it up and build it and say, "Well, I had to do it. There is nothing I could do."

That is not my job. You are the Architect. You are the Architect, and if you see these problems, you should avoid them. You can say, "Look, gentlemen, I am recommending a suspension of these things, and this is the reason why."

If you need the legislative action to cure it later, fine.

Am I wrong somehow? You are my counsel.

Mr. WHITE. May I suggest that it is not a matter—

Senator D'AMATO. Mr. Massey didn't tell me this, by the way. He told me, "Keep out of it." If I have gone off, tell me.

Mr. WHITE. The way you describe it, you are absolutely right.

Senator D'AMATO. Well, that's it, that's it. Let the record then show that. Let's go to something else.

I am not going to take legislative action. I think this is a reasonable request that has come forward that you better look at. If you want to go ahead and put that up, it is going to be your golden fleece.

I am annoyed.

REPLACEMENT OF CAPITOL WEST CENTRAL ROOF

Let's go to something else. You have requested funds to replace the roofing.

Dr. BOORSTIN. Excuse me, Mr. Chairman. May I be excused?

Senator D'AMATO. Certainly.

Mr. WHITE. Yes.

Senator D'AMATO. You have requested funds to replace the roofing of the west central section of the Capitol. How would a decision of the Congress to proceed with the restoration or extension of the West Front impact on this request?

Mr. WHITE. The request for additional funds?

Senator D'AMATO. Yes.

Mr. WHITE. The request for additional funds for the extension of the West Front would, of course, have a major impact on our whole budget.

Senator D'AMATO. In other words, would you do this, would you go ahead with the roofing if you were going to restore the West Front?

Mr. WHITE. Yes. We would do that anyway, because whatever happens to the West Front, whether it is restored or whether it is extended, the basic roof, which is behind that, is the problem.

COMPUTER GRAPHICS DESIGN SYSTEM

Senator D'AMATO. OK. That's the answer.

You have requested \$200,000 to begin purchase of a computer graphics system which would free present personnel from routine drafting tasks. What is the total procurement cost of that system?

Mr. WHITE. We are not sure. It could be substantially more than that, depending on the total number at work stations we provide.

Senator D'AMATO. Then I am going to recommend that we not go ahead with that. That is buying a pig in a poke.

Mr. WHITE. Well, in a sense it is, but let me find out.

Mr. ENSIGN. I would say the outside would be \$600,000.

Mr. WHITE. Yes. The outside cost would be \$600,000, but it might be less than that. That is why I said I wasn't sure.

Senator D'AMATO. This committee would like to see a little more of what the cost savings are in terms of personnel, as opposed to what has been indicated heretofore, which I don't find sufficient.

Mr. WHITE. Fine.

Senator D'AMATO. Your estimates for resurfacing of streets in the Capitol area and the Capitol Plaza are down from last year.

Would you tell me why? Also, which streets are in the worst shape?

Mr. WHITE. The streets that we have mentioned in the justifications are the ones that are being requested, Mr. Chairman, Independence Avenue from First to Third Street; Independence Avenue from First to Second Street; East Capitol Street from First to Second Street; C Street and D Street from First to Second, and some other miscellaneous areas on various roads.

As you know, those roads are under our jurisdiction for maintenance, and we have inspected those that need it the most. There are miles of roads under our jurisdiction.

Senator D'AMATO. What would be your minimum undertaking? If you were to say that we would defer some, what would you defer?

Mr. WHITE. We could defer any of it, Mr. Chairman, in the sense that, as you know, if you let it go another year, it is a little worse.

SCHEDULED ROAD MAINTENANCE

Senator D'AMATO. Proper maintenance is important, and it should be on a scheduled basis. Have you done that?

Mr. WHITE. Yes, of course.

Each year we do some more, and this year, it looks like these ought to be done. If we defer some of it, of course, we would come back and ask for it next year. That same thing happened, for example, Mr. Chairman, with the broad walkways in front of the Capitol grounds which we have asked for. That was deferred for several years. Of course, the cost kept going up. As you know, that occurs in instances of that kind. We think the prudent thing to do is to repair these roads this year.

Senator D'AMATO. If you would undertake this repair work in this year, all of these roads that have been outlined, would that create some problems in the way of traffic?

Mr. WHITE. No. These are not the entire roads.

For example, Independence Avenue from First to Third Street, there are 690 square yards, which is not the entire roadway. We are taking sections that are in a deteriorating condition. So that traffic would be maintained at all times.

Senator D'AMATO. What is your total cost estimate?

Mr. WHITE. The total cost estimate is \$159,000.

Senator D'AMATO. I think it's a prudent investment.

What work remains to be completed on construction of the Hart Building?

Mr. WHITE. The basic contract work is——

Senator D'AMATO. Who is going to pay for those doors? I want to know about those doors. That is the most incredible situation I have seen. Every office has double doors, and there is a gap—it has got to be more than a quarter of an inch—that runs the entire length, and now we have to put on a little piece of whatever it is.

Mr. WHITE. In a complicated, sophisticated building like that——

Senator D'AMATO. We paid for that?

Mr. WHITE. Well, we paid for the doors, yes.

Senator D'AMATO. Someone is negligent.

Mr. WHITE. Well——

Senator D'AMATO. Wait, wait. I am not an architect, and I used to practice law. I come from a little village; I used to practice some law. I was a country lawyer, believe it or not, from New York, and I represented some builders.

Someone is responsible for that, contractually.

Who? Who goofed up?

DOORS FURNISHED AS SPECIFIED

Mr. WHITE. I would say the designer, because the contractor furnished it as it was shown on the drawings and called for in the specifications.

Senator D'AMATO. What are we doing? Are we suing him?

Mr. WHITE. Well, I don't know, oh, well.

Senator D'AMATO. "Oh well"? You really don't know.

Mr. WHITE. We are not.

Senator D'AMATO. Why?

Mr. WHITE. And the reason is, we can't expect perfection in every piece of work that goes into a building. I suppose one could say, and we could, in which case I am sure that the architect would agree, if we asked him, "The additional cost that it is now going to cost us to put that on over what it would have cost had it been designed and furnished as a part of the contract, is your responsibility" and I think he would probably pay for it. If he does, it would go into the Treasury, of course.

I have no objection to asking him that. It is that kind of a problem—I would call it an oversight.

Senator D'AMATO. But it is a substantial oversight.

Mr. WHITE. Yes, I suppose.

Senator D'AMATO. Let me tell you something: you wouldn't have an office that way. No one would, and I am not talking about senatorial splendor, because you can keep that building. I didn't want to go there. I want to tell you something. Can you imagine having doors—you have a private office—and you have a gap that runs a half inch, as much as a half inch down the whole door? People can look in.

Mr. WHITE. It is not right, you are absolutely right.

Senator D'AMATO. It is not a minor little thing. If it happened in one office, I could understand it. But it is in all offices.

Mr. WHITE. I didn't mean minor in terms of it not being important to correct; I meant in terms of the whole building.

Senator D'AMATO. I will suggest—and this I will make note of—that there be undertaken a review of who should pay for that, not the American people.

Mr. WHITE. I will be glad to do that.

Senator D'AMATO. I want to see that money, I don't care what it is. If it is \$10,000, it is going to be a lot of money. You have to order it, there is manpower, and you have to install it. But if it is even \$10,000, "Well," you can say, "that is just \$10,000," but I am sure it is going to be more than that. He should pay, don't you think?

Mr. WHITE. Yes, I agree with you. We will discover what the costs are—there are only 50 doors in there.

Senator D'AMATO. Only 50 offices. He is batting 100 percent.

Mr. WHITE. That is right.

What I am saying is the cost of doing that may be even a great deal less.

Senator D'AMATO. I don't care.

Mr. WHITE. Well, whatever it is, you are right.

Senator D'AMATO. Were you going to do that before I mentioned it to you?

Mr. WHITE. We hadn't considered doing that, because it seemed like such a minor item in terms of total cost.

HART BUILDING ELEVATORS

Senator D'AMATO. I am going to go through that building.

Let me tell you something: You get me going, how about the elevators? They never work. Who is responsible for that?

Mr. WHITE. That is the installation contractor, and it is under warranty.

A new building is kind of like a ship. It needs a shakedown cruise, and it is now in that shakedown cruise category. Those items like the elevators are under warranty and being paid for by the contractor.

I am talking about the repairs necessary to get them operating properly, and they will operate properly.

Senator D'AMATO. What about this echo chamber? I want to tell you something. I haven't played racketball in a year, but whenever I walk into my office, I feel like I am on the racketball court.

Mr. WHITE. You are right. You are absolutely right, and that, again, is being modified, and that is really part of the architect's problem, as well.

Senator D'AMATO. Who was the architect?

Mr. WHITE. The architect was John Carl Warnecke.

Senator D'AMATO. Is he still alive? [Laughter.]

Mr. WHITE. Yes.

Let me say, if I may, Mr. Chairman, the interior of the Senator's offices, as originally designed, was to have wood paneling and special lighting with dimmers and so on.

It was decided, and appropriately so, that that should be modified in order to save costs. The paneling was eliminated, the lighting was simplified. In the course of doing that there was not appropriate consideration given to what was going to happen to the acoustics in the room. That was an oversight, and the architect is responsible for that.

Senator D'AMATO. OK.

There are a lot of offices there, 50 offices, and I think maybe some of the senior Members already have acoustical material installed.

Mr. WHITE. We are beginning to—

Senator D'AMATO. Oh, yes, there you go. Isn't that something? It has taken me 2 years to find this out, you know.

You are laughing. You know what I am talking about.

You are going to put acoustical materials in so people can talk, but it is incredible that it has taken so long. I don't care if it is beautiful, so long as it is functional. As a matter of fact, I would like to get out of the Hart Building and go back to Russell, but who is going to pay for that, the architect?

You weren't thinking about that yet?

Mr. WHITE. No, we are in discussion with him, because it would have cost, for example, in a case of that kind, as you well know, it would have cost a certain amount of money to install it to begin with. So the additional cost, beyond—and we are in discussion with him about that.

On that one, we are in discussion with him.

Senator D'AMATO. Good. So you will let this committee know.

Mr. WHITE. I will.

Senator D'AMATO. Before you come to any final conclusion.

Mr. WHITE. Yes.

Senator D'AMATO. In terms of making any settlement with him?

Mr. WHITE. I will be glad to.

CALDER SCULPTURE FOR HART BUILDING

Senator D'AMATO. What is the story on Calder's work, "Mountains and Clouds"?

Mr. WHITE. That was a proposal resulting from the inclusion in the beginning of a line item for works of art in the building.

We went through the process of selecting a sculptor by having submittals made by a number of different sculptors and so on.

At the stage of cost saving that occurred several years ago, that item was eliminated. So it was abandoned except to hold it in abeyance for some possible future consideration.

Senator Brady, former Senator Brady, has voluntarily decided to try and raise the money privately to provide it, and the Senate Office Building Commission has agreed to accept it when it is offered, if it is offered.

So that process is now taking place.

FURNITURE AND FURNISHINGS

Senator D'AMATO. OK.

You have requested \$8 million for furniture. I cannot even get a file cabinet.

By the way, Senator Stevens was right. There are areas in the Hart Building where you cannot put file cabinets because of a lack of sufficient beams. The weight of these cabinets will not be supported unless you place them on specific areas where there are beams and those places are away from walls. That happens to be correct.

I am just telling you that. That has been the case in my office. I didn't tell him that. Wherever he got that, he got that independently.

Mr. WHITE. Let me look into that, Mr. Chairman.

Senator D'AMATO. SH-520.

Mr. WHITE. There is something strange about that.

Senator D'AMATO. I think it is strange, too.

Mr. WHITE. I agree.

Senator D'AMATO. What about the \$8 million? Why is the present furniture insufficient? How much additional furniture will be needed to simply supplement the existing offices? I am not going to go along with \$8 million. I don't care if you stand on your head and everybody in the Congress is crazy. They can vote for it, but I don't want to.

Have you looked at alternatives?

Mr. WHITE. Yes. We originally estimated what the furnishings would cost for the building. It was substantially more than this.

As you may recall, it was prior to your coming to the Senate, but we conducted what was called the Senate office systems research project funded by the Senate.

It was a lengthy investigation over several years. It was made to investigate the kinds of furniture that would be desirable for use in senatorial offices.

The furniture which is recommended, which is work station modular furniture, is derived from that study. So that it was not based on just an arbitrary judgment of picking something out of a catalog. That study is available in the committee files, I am sure, and we can give you another copy if you would like to examine the basis for the furniture selection.

Of course, that was all eliminated as part of the cost-saving circumstance that arose. The inclusion of this additional \$8 million for this purpose resulted from a request from several Senators that we proceed on that basis to provide new furniture for the building.

We were authorized to expend funds for a model suite with new furniture in it.

That was done, and we used the funds that were available for that purpose. As a result of that, a number of Senators asked, apparently,

that new furniture be purchased. So I am, therefore, directed to place this amount in our request. I need to make it clear that it is not a personal request on the part of the Architect's Office.

SIMILAR GSA FURNITURE AVAILABLE

Senator D'AMATO. Some committee members have indicated that the cost of this furniture would be substantially above the cost of similar furniture which GSA would provide.

Mr. WHITE. That is correct. Ordinary furniture per employee is less costly than modular work station furniture.

Senator D'AMATO. Oh, this is modular work station furniture.

Mr. WHITE. A sample of the furniture was installed in a model suite. That furniture was purchased and is now in use in Senator Hatfield's suite. You can see it in use at that location, and, therefore, see the difference between that and ordinary furniture. From the standpoint of the Senate office systems research project, the results indicated substantial increases in productivity with the use of that kind of furniture for a number of reasons which are mentioned in the report.

It is thought to be an advantage in a number of ways that make it worthwhile to move in that direction for that kind of furniture. It is in use, as I think you are aware, in commercial offices throughout the country as new offices are being furnished.

That is the basis for it.

Senator D'AMATO. Do you have any file cabinets, money for file cabinets?

Mr. WHITE. There are moneys for lateral file cabinets.

Senator D'AMATO. I am just suggesting that file cabinets are an absolute necessity. It is not a matter of whether you do or don't have them. You need them. If you need a file cabinet, you have to have a file cabinet, don't you?

Mr. WHITE. Of course.

Senator D'AMATO. Whether you have new furniture or not.

Mr. WHITE. That is right.

Mr. WHITE. We normally buy file cabinets as a part of our on-going furniture requirements.

Senator D'AMATO. Did you put any requests in for file cabinets in this appropriation other than—

Mr. WHITE. Not as special requests. In other words, we have a request always for replacement furniture.

FUNDING AVAILABLE FOR FILE CABINETS

Senator D'AMATO. Do you have any for replacement file cabinets?

Mr. WHITE. Yes, I think we do.

Mr. CARRAWAY. No, we don't. We are out of furniture.

Mr. WHITE. No, that isn't the question.

The question is, Do we have funds in the appropriation?

Mr. CARRAWAY. Yes, we do, yes, sir.

Mr. WHITE. Yes. The answer is "Yes."

Senator D'AMATO. What a way to run a country.

Mr. WHITE. We don't have it broken down in our figures here, Mr. Chairman, but we can provide that for the record to give you a specific number as to how much we have for file cabinets.

We have, out of the total request of \$346,000, which is an annual request for furniture and furnishings, approximately \$25,000 in there for filing cabinets, which is what we do annually.

This request of \$8 million is for filing cabinets as a part of the full new installation.

Senator D'AMATO. All right.

Mr. WHITE. I mean, the filing cabinets show as part of that request.

Senator D'AMATO. What else do you have there in the \$8 million?

Mr. WHITE. Work station office systems, desk chairs, side chairs, conference table, conference credenza, conference chairs, reception seating, reception end tables, one coffee table, lateral files and, then, some furniture for the public areas, all totaling the \$8 million for 50 suites.

Senator D'AMATO. Plus the file cabinets.

Mr. WHITE. As I mentioned, lateral files.

Senator D'AMATO. Well, lateral.

Mr. WHITE. That means the kind that come out sideways instead of long ways.

Senator D'AMATO. I don't care which way they come out. They are coming out of boxes right now. You have to have something to put files in. That is a necessity.

Mr. WHITE. You are right.

Senator D'AMATO. I cannot even get file cabinets. We can, maybe, appropriate some money, switch it around from one of these fancy pieces of art that we are going to get, and put it into file cabinets. I am being facetious with you, but did I make the point?

Mr. WHITE. Yes, I understand.

DESIGN FOR IMMIGRATION BUILDING RENOVATION

Senator D'AMATO. The subcommittee approved a reprogramming for architectural and engineering drawings and modifications of the Immigration Building.

When will those drawings be complete? Do you have any idea?

Mr. WHITE. For which building? I am sorry.

Senator D'AMATO. Immigration.

Mr. WHITE. They are in process now.

Do we know when?

Mr. ENSIGN. It will be in about 6 months, I would say.

Mr. WHITE. Right? Approximately 6 months.

Senator D'AMATO. The law requires that the Senate annex buildings be vacated upon completion of the Hart Building. Based on the present schedule for vacating the annex buildings, when would you expect that each of these buildings would be closed?

Mr. WHITE. Sometime within the next year is when we anticipate. It depends upon how quickly, of course, the spaces can be made available for them to move into.

WEST CENTRAL FRONT OF THE CAPITOL

Senator D'AMATO. If proposals to deal with the West Front, once again, reach an impasse in the House and Senate, what, if anything, must be done in the short term to insure that the western wall does not become a safety hazard?

Mr. WHITE. That is a difficult question which I have been asked before. Let me say it this way: If you compute the loads in that wall, under present day code requirements, the wall ought not to be standing.

It is standing and, therefore, the computations are somewhat conservative, and there are some factors of safety built into those kinds of computations.

The prudent thing to do under those conditions is to repair it or do something comparable to it. But anything that you do, once you begin, unless you are prepared to do the whole job, cannot be said in advance to complete the safety needs.

In other words, making a comparison, if you open up a patient as a physician for an exploratory operation, you are not sure what you are going to discover when you get in there, and that is what you have with an old building when you begin to effect repairs.

I am hedging in the answer, but there is no easy answer to that. There is no simple way to effect some safety repairs without opening up the process of going all the way.

POSITION OF THE COMMISSION

Senator D'AMATO. Your statement indicated that the Commission on the West Front took no formal position with respect to the extension versus restoration question. However, I am given to believe that a majority of the members of the Commission did express their preference for restoration.

Mr. WHITE. And I was not there, Mr. Chairman, but my understanding was that there were only four members present of the six-member commission, and three of them expressed their feelings as you describe.

The Speaker of the House took the opposite position.

It might be of interest that all prior commissions, since there were commissions in the early sixties, have all voted the other way, but that is not germane except as a piece of history.

Senator D'AMATO. I think that it will be important to develop a plan and a program to deal with restoration on a modest basis, with the work taking place over a period of time. As I have indicated, I support restoration rather than extension.

I know that that kind of situation sometimes may create additional problems, and I understand the answer that you have given me, but I don't believe that it is realistic to think that at this time or in the foreseeable future both houses will come together and agree to extend the West Front. For one thing, a colleague of mine says that if we extended the West Front, it would look like a warehouse.

AIA STATEMENT

Mr. White, you were formerly executive vice president of the American Institute of Architects, were you not?

Mr. WHITE. Yes, with an unopposed nomination for the presidency.

Senator D'AMATO. How do you like that? And look where you landed.

Mr. WHITE. I withdrew because of this.

Senator D'AMATO. You are on the hot seat. According to the AIA:

Under the proposed scheme for extension, the infill between the central and flanking wings would destroy the articulation of the massing that, in our opinion, is a very positive aesthetic value of the present facade. The proposed infill would create a more monolithic, flat and monotonous wall to the west.

The extension of the center wing would add visual bulk to the massing and effectively diminish the visual impact of the dome as perceived from the Capitol grounds.

Let me stop here and say that there are those who say that with the proposed extension, you could not see the dome from parts of the Capitol grounds.

To continue with the AIA statement:

This would be a considerable loss. Finally, the extension of the center portico onto the Olmsted terrace would bring the front uncomfortably close to the west wing of the terrace and terrace steps.

Those are the critics talking about some of the reasons that they oppose extending this historic side, which I think is important.

Quoting again the AIA:

The existing West Front is the last evidence of the Capitol's continuity, beginning with the original construction for which George Washington laid the cornerstone in 1793. Burying the 18th and 19th century walls designed by the architects Thornton and Bulfinch behind an extension will destroy this historic continuity. Entombment is not historic preservation.

I agree with this perspective. I just think that sometimes what we get is extremes on both sides, whether it be on the issues of armament or disarmament, or the adequacies of our budget for all of the global purposes that may exist; you get extremes of both sides.

I think that is where we are now with respect to this process. There may be those that would say, "Just let it stay, and finally it is going to get so bad where someone is going to have to come in and do something."

REVIEW OF ISSUES

I think maybe another time you and I should sit down, maybe with Senator Hollings and Senator Stevens, and look at this with a view that I, to date, have not seen and addressed. That would be a more modest effort at restoration, rehabilitation, preserving the basic antiquities and the historical aspects to which I, like so many people, give proper deference and respect.

Of a totally secondary nature would be the construction of additional facilities for office conference rooms, et cetera, that I see in so many reports.

Maybe if we have less offices and hideaways and conferences, the people's interests would be better served.

I do have a number of other questions. I am going to submit them to you. I am going to watch very carefully, not by way of instruction, but because I think it is your responsibility as the architect and the manager of the installation of the decorative bronze screen in the library, to see what you do or don't do.

It is not my job to tell you that it is going to pose a great problem. You are the architect. If it is going to pose a great problem, then it is your responsibility to make the recommendation, and maybe when the Congress says, "Well, why did you stop this?" you can say, "Well, here is why. We found out that it would create greater problems and greater costs." But that is not something I am going to order you to do.

Mr. WHITE. May I respond?

Senator D'AMATO. Yes, certainly.

Mr. WHITE. As you mentioned just a moment ago, there are always two sides——

Senator D'AMATO. Yes.

Mr. WHITE [continuing]. To a question, particularly a complicated question where we have——

Senator D'AMATO. Who was the moving force behind this big metal thing? Is he still here?

Mr. WHITE. The moving force were the design architects.

Senator D'AMATO. Oh, then, don't worry. I thought it might be some power in one House or the other.

SUBJECTIVE JUDGMENT AS REGARDS BEAUTY

Mr. WHITE. What I really wanted to say in that regard was that it is a matter of subjective judgment as to whether it is a thing of beauty——

Senator D'AMATO. That has nothing to do with beauty, absolutely nothing. You are not in that Library working. I have enough respect for the Librarian that when he says this would create a problem, you better give due deference to that. And that a beautiful piece of art that may create very substantial problems in terms of the operation and efficiency of that building should be given absolutely top priority and consideration.

Mr. WHITE. I will.

Senator D'AMATO. You can find another place to put that beautiful book thing.

Mr. WHITE. I absolutely agree. If that were——

Senator D'AMATO. The case?

Mr. WHITE [continuing]. The case.

Senator D'AMATO. You didn't say that. You let the Librarian go. You mean to tell me it is not going to create problems?

Mr. WHITE. No.

Senator D'AMATO. It will not?

Mr. WHITE. It will not.

Senator D'AMATO. You differ strongly?

Mr. WHITE. I differ.

Senator D'AMATO. Well, you differ over the little wedges in the door and the panel and the big mausoleum over there.

Mr. WHITE. I presume you want my honest, objective, professional advice. That is what I am here for.

Senator D'AMATO. Give it to me.

Mr. WHITE. I think it is not only not a problem, it is a personal judgment on the part of the Librarian, whom I admire and respect and is a good friend.

Senator D'AMATO. No wonder he ran. He is not here now.

Mr. WHITE. He has a personal objection to that, and I would urge, Mr. Chairman, that you come and look to see what the detrimental effects that are spoken of could be.

CRS EMPLOYEES NEWSLETTER

Senator D'AMATO. I am looking at something here. This is called the Creativity, the newsletter of the Congressional Research Employees Association. Did you see this article?

Mr. WHITE. I did not.

Senator D'AMATO. I will share it with you. Its entitled, "Falling Books Block Fading Light"; March 1, 1983, by David C. Huckabee. It goes on to say:

If the Architect of the Capitol gets his way, approximately 20 percent of the total window area of the Madison Building will soon be covered by the long-planned, long-delayed 40,000 pound falling book sculpture.

No, the falling book sculpture is not a myth. The bronze decorative screen, as it is referred to in the official documents, is scheduled to begin cascading over the heads of unsuspecting visitors to the Madison Building in April, when it is to be installed over the one large window at the front entrance of the building.

Most library employees had erroneously assumed that the falling book sculpture had been eliminated from the building plans because (1) it was a bad idea; (2) the Librarian was thought to be opposed to it; and (3) the architecture critics had panned it. (Wolf Von Eckardt in 1980, described the decorative frieze as the "book-hater's revenge for the cost of the Library—dimming the only sizable source of natural light in this entire 1.4-million-square-foot box.")

[Laughter.]

Senator D'AMATO. Is this the same architect who did the Hart Building?

Mr. WHITE. No. [Laughter.]

Senator D'AMATO. You really get them; you really find these guys; incredible. You know, the Hart Building is a wonderful utilization of space, when in the middle, you look up, and you have to heat that space. What about conservation of energy. God bless us.

Here is a good line:

The falling book sculpture will not only substantially limit light from the entrance lobby of the building, but it will directly affect employees working on the third through fifth floors of the building. Employees affected will include the Government Division of CRS which will lose the only common access window in the Division; the Copyright Public Information Office; and the Subject Cataloging Division Office.

Is that true?

ENTRANCE LOBBY WINDOWS

Mr. WHITE. Yes, it affects that portion of the building, but it is immediately over the entrance.

Senator D'AMATO. But they are there. But they are there. They are little people, but they are people.

Mr. WHITE. But it is not in their office. It is in the entrance to the building.

Senator D'AMATO. When it gets up to the fifth floor, does it affect their offices?

Mr. WHITE. I can't answer that from memory.

Senator D'AMATO. In other words, the common areas, they don't even have windows in their offices?

Mr. WHITE. That is correct.

Senator D'AMATO. However, the only light that they get comes from the common window access which will now be closed off?

Mr. WHITE. That is right. It is the common area. Of course, it is the main entrance lobby.

Senator D'AMATO. But upstairs, the third through fifth floors, it is the common window access, and it is not going to be open.

Mr. WHITE. But it is not in their offices.

Senator D'AMATO. That is what the guy means by "the box."

Mr. WHITE. I need to be able to respond, and I——

Senator D'AMATO. Please, go ahead. I will try and keep still.

Mr. WHITE. No, no, please.

When that building was first designed which was, incidentally, prior to my being here——

Senator D'AMATO. Oh, you are denying this?

Mr. WHITE. No, no, it is my responsibility, nevertheless.

Senator D'AMATO. Go ahead. Go ahead.

Mr. WHITE. What I am saying is it was designed to be a building for books, not for people—or few people. As the design progressed, the program was changed by the Library, and little by little, it became a building for people rather than for books.

Senator D'AMATO. OK.

Mr. WHITE. So what was designed to be an, in effect, a warehouse doesn't have any windows in it to speak of.

Senator D'AMATO. So George, why compound the problem? We like people. Why do you have to do this? Do you really think it adds that much to this for something that was supposedly going to be a warehouse in any event? Now you are shaking your head. I mean, I think it is a bad idea to have a big thing like that if you were going to have it a warehouse. Why? You like it; you like the bronze thing?

Mr. WHITE. Everybody who has looked at it——

Senator D'AMATO. It might be beautiful. Can't you find a better place to put it?

Mr. WHITE. It is designed for that spot; I mean, it fits.

Senator D'AMATO. What a great——

TERMINATION COSTS INVOLVED

Mr. WHITE. This is important from a cost standpoint. It will cost a great deal of money, which I will be glad to furnish to the committee, to stop—we have contracts with contractors, and there will be termination costs, there will be—

Senator D'AMATO. How much? How much will it cost?

Mr. WHITE. I don't know. I will have to look into that, but I will be glad to furnish that.

Senator D'AMATO. I think I have at least amply expressed my concern with regard to this matter on the record. You are the architect. You have heard the concerns expressed, including the concerns of your colleagues. When a hue and cry goes up, it is you who will have to respond, and you know everybody and his brother is going to look at this thing and talk about it, whatever it is, in terms of its costs, and that it blocks out the light. Do you really want to defend that?

Certainly, let the record indicate that it was long, long before this Senator became a Senator that this situation developed.

Mr. WHITE. You are right.

Senator D'AMATO. All you have to do is tell everybody and go like that.

Mr. WHITE. I hope that my position is understood, that I must take this request to—

Senator D'AMATO. Do whatever you want to do with it.

Mr. WHITE [continuing]. To the Senators and the Members of the House under whom I am conducting this process.

Senator D'AMATO. There is no big pride in this Senator in terms of what you do or don't do in taking up my suggestion. I have stated publicly and put on the record that this is obviously a concern of the library employees and the Librarian himself. I think it certainly would behoove you to bring this concern to the attention of the members on the other committees.

I think you should have a copy of this article. Can we make a copy of this article?

Mr. WHITE. I will certainly do that, Mr. Chairman.

NEED TO REVIEW BRONZE SCREEN

Senator D'AMATO. Review it. I think sometimes we get all boxed in. We know where the answers are, and we resent change. I know I do. I work on a problem for 6 months or a year, and then someone comes after I have looked at it and analyzed it and I have had other people analyze it, and gives me a suggestion that might be at variance with my own conclusions.

It is a natural kind of thing. We all have pride. You look at it from one way. Maybe sometimes it is good to take a step backward and let other people look at this.

Mr. WHITE. I agree.

Senator D'AMATO. If it is up there, it is going to be up there for a long time, and if it does create problems, it will create problems for a long time. If the visual situation is as bad as it probably is, in view of

how you explained it was initially a warehouse for books and it was changed, maybe deference should be taken. It is a no-win situation, obviously.

Mr. WHITE. I agree with you.

Senator D'AMATO. You do that. That is your business, you are the Architect. I am just telling you that I express concern that we don't compound the problem that may already exist.

We have some additional questions that I will submit to you for the record.

Mr. WHITE. Mr. Chairman, at your convenience, with regard to the West Front, I understand your position which was stated very firmly.

Senator D'AMATO. I was mild. [Laughter.]

Mr. WHITE. I appreciate that. But I would like to suggest that there are a lot of misunderstandings as to the facts involved.

Senator D'AMATO. Go out there and take a look.

REVIEW OF WEST FRONT PRESERVATION

Mr. WHITE. I am prepared to present to you history, facts, on historic preservation. I don't take second place to anybody in terms of my interest and support of historic preservation. By law, sitting on the Advisory Council, we are saving buildings all over the country. It's an important thing, I think, to concern ourselves with historic preservation.

But there is a history of this building going back to 1864—I am talking about the west and east extension—which really needs to be viewed in its full context. Because when I came here, as you implied, being—

Senator D'AMATO. You were the choice of the architects of America.

Mr. WHITE. That is right, and when I came here, I had that same view as you so mildly expressed it.

Senator D'AMATO. Eloquently. [Laughter.]

Tell us politicians aren't given to overstatement, even Senators. [Laughter.]

Mr. WHITE. I felt when I came here that it was inappropriate for me to come in as a professional, presumably to advise the Congress on whatever subject they asked me, to come in with a preconceived notion. I felt I ought to try and be as objective as I could. I spent almost 2 years, as Senator Hollings knows, reviewing all of it, and I came to a different conclusion based upon an overall look. I am an advocate of that position now, obviously, but I tried to come to it in as objective a way and professional a way as I could.

I would hope that—I know of your own objectivity, because I have seen it in other instances. I have read in the papers of your positions with regard to the District of Columbia, for example. I would hope that in spite of your—

Senator D'AMATO. Preconceived?

Mr. WHITE [continuing]. Firm position that you would permit me to try and show the other side.

Senator D'AMATO. I would look forward to that opportunity. I think it's important. It is important to this Chairman and to me as a person

and as an individual who has this responsibility, and I think it would be best to look at this carefully and objectively. I will. I share with you my concern and the concerns of my colleagues. My feeling is that during these times, given the kinds of cost increases there have been, there is a lot of concern among my colleagues with construction projects and that is a very practical consideration.

Now, when you look at the other things, you study them, you know them. What will the appearances be like? Are we going to change?

This format does not provide ample opportunity to examine everything. So although we will adjourn this hearing, I will say for the record that I certainly will look forward to doing this again, and I am going to invite Senator Bumpers, Senator Hollings, Senator Hatfield, and Senator Stevens to participate in that.

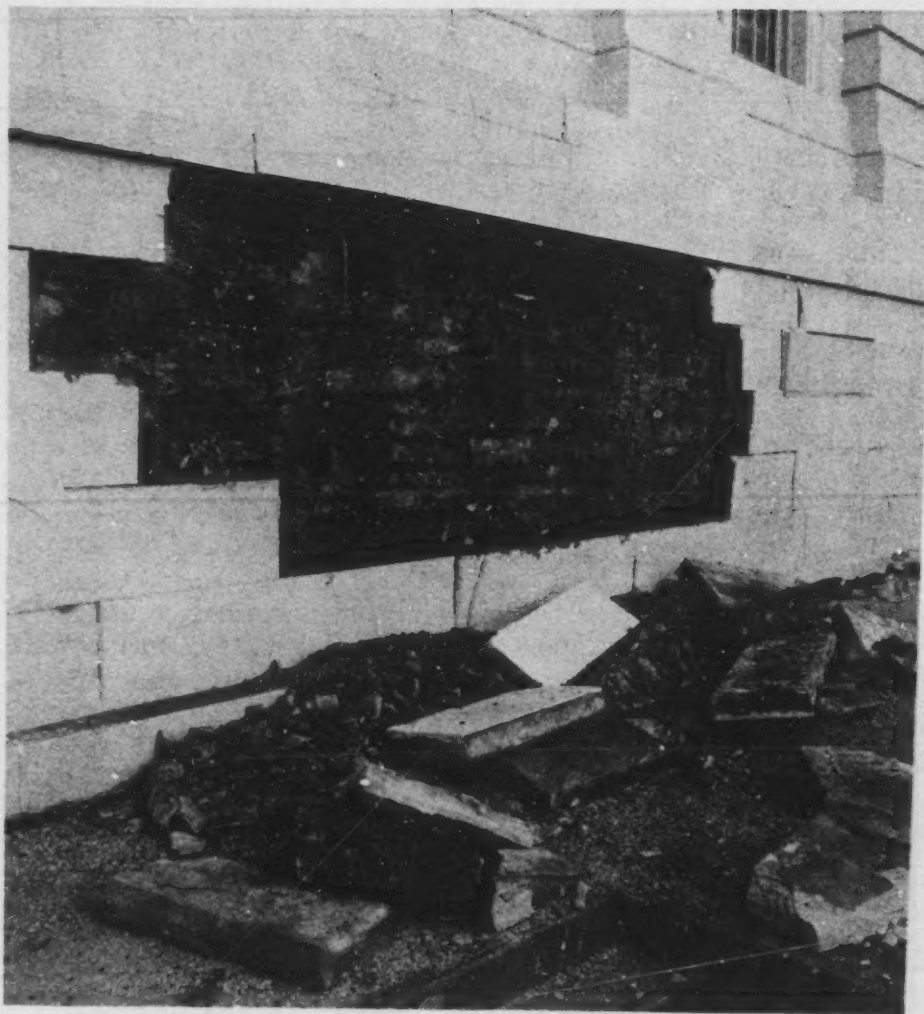
Mr. WHITE. As you know, Mr. Chairman, the House has already acted, and so in terms of timing, at your convenience, I suggest that we should proceed with it.

Senator D'AMATO. Spring is nice now. We can go in back and have lunch.

PARTIAL SCREEN WALL VENEER COLLAPSE

Mr. WHITE. I would like to show you something that occurred last night. I received a call at about 10:30 last night. That is on the West Front of the Capitol. They are the same pictures.

[A photograph follows:]



Mr. WHITE. I said when they called me, "Somebody is going to say I did it on purpose," but——

Senator D'AMATO. You have a loyal, dedicated staff. [Laughter.]

NO STRUCTURAL PROBLEM INVOLVED

Mr. WHITE. Let me just say, this is not a structural problem. This is a veneer which has been loose for a long time, and this does not concern me in terms of the structural significance that it would appear to be, but it is, nevertheless, indicative of the kind of problems we have.

Senator D'AMATO. Let me ask you this: Have you utilized outside architectural expertise on this matter? I think in this matter, you could probably get many people to come in and to volunteer, and I don't mean to hurt your professional pride or anything.

Mr. WHITE. No, no. We have done that. I was, as I say, I was prepared this morning to tell the whole story, and at your convenience, we will do it. But just briefly in response to that, the Appropriations Committees in 1978, because of this continued long-term discussion and because we had nothing except sketches and proposals and preliminary ideas and we had no final drawings, cost always became an argument. There was nothing to base costs on except judgment and opinion on preliminary drawings.

These two committees—that is, the House and the Senate—therefore authorized an expenditure of funds which had remained from the extension of the Capitol account which also experienced the same kind of argument, incidentally.

Now no one objects to the fact that the East Front was extended. Most people don't even know that it was extended.

When those funds were authorized to be expended to have working drawings made of both proposals, outside engineers and architects were brought in in order to do that. I must say this: The last time this came up for discussion, the proposal for restoration would, in my judgment, not have restored the structural integrity of the wall, and that was part of the argument. This time that is not true. The proposal that is now made for restoration will, in my judgment, properly restore the structural integrity of the wall.

Because I took the position that the Congress is going to make this judgment, and if they should decide to restore, we must do the most effective job of restoration that can be done on our Capitol. It's not our building. It belongs to the people.

So, therefore, I am confident that the present proposal, submitted by outside engineers—and we had the best in the Nation—and an advisory group to look over their shoulder, responsible, renowned structural engineers.

Senator D'AMATO. You convinced me.

ADDITIONAL PREPARED STATEMENTS

Several organizations have written the committee in support of the plan to restore the West Front. Congressman Sam Stratton of New York, who has been in the forefront of the pro-restoration forces in the

House for many years, has also submitted testimony. These documents will be placed in the hearing record at this point. Also, the article on the bronze decorative screen will be printed in our hearing record.

[The statements follow:]

STATEMENT OF CONGRESSMAN SAMUEL S. STRATTON

Mr. Chairman, members of the Subcommittee, I am pleased to have this opportunity to testify today to express my firm and enthusiastic support for the restoration of the West Front of the Capitol and my equally firm opposition to extension of the Capitol as proposed by the Architect.

I have been following this issue throughout my 24 years in the House, and perhaps the subcommittee would be interested in some of the background of this involvement.

To understand the scope of the problem, one has to begin with the East Front of the Capitol, which was extended in 1959.

The main proponent of that extension was Speaker Sam Rayburn. His main concern was that the weight of the dome of the Capitol was resting on the portico roof. The Speaker was afraid that the weight of the dome could collapse the portico roof and bring not only the dome but the whole building crashing down. Something had to be done quickly, Mr. Rayburn argued, to add support to the Capitol Dome. Accordingly the East Front was moved 34 feet east so that the dome no longer appeared to be resting on the roof of the east portico. The extension of the East Front was not unduly architecturally offensive, since it generally followed the lines of the original architecture.

Having served as an administrative assistant to a member from Massachusetts in Washington from January, 1941 to July, 1942, I was not too convinced, however, that the changes proposed by Speaker Rayburn were really needed. I had regarded the Capitol as a uniquely historic building, and therefore not to be altered unnecessarily.

When I arrived back in Washington in January, 1959 as a newly-elected member from New York, the East Front reconstruction work was already under way. By accident I found myself, a couple of weeks later, browsing around the area off the Capitol crypt on level one, in the corridor leading to the office of the Attending Physician. I noticed a window on my right facing a small open area in the center of the Capitol, a window by the way, that has since been closed up in the process of providing adequate space for the Attending Physician. I suddenly realized that what I was looking at was an independent circular core that supported the Capitol dome. So the dome didn't really rest on the outside walls of the Capitol or on the portico, after all. And the assertion that the East Front had to be extended to prevent the dome from collapsing had simply not been architecturally true.

The corresponding plan to extend the West Front to match the East Front first emerged in 1966 during the speakership of John McCormack, a bare 5 years after the completion of the East Front. The basic plan had been proposed by George Stewart, the same Architect of the Capitol who had masterminded the East Front project. Mr. Stewart was not himself an architect, but was given to big ideas. The actual plan had been developed by his assistant, Mr. Mario Campioli.

This was a truly sweeping scheme, going far beyond the modest changes sparked by Speaker Rayburn on the other side of the nation's number one historic shrine. The Campioli plan involved doing away with the famous Olmstead terraces that lead down gracefully from the main elevation of the Capitol itself. In its place a service road was to be built, under the terrace, for bringing supplies in and taking garbage out. It also involved the construction of a massive restaurant looking over the Mall, filling in of the two open spaces between the central portion of the Capitol's original western wall and the two wings on either side. Within these extensions were to be included a visitors center, and a number of hideaway offices for senior members of the Congress.

The cost of such a plan was obviously high, but once again, the justification was not based on these architectural goodies, mentioned above, but on the original rationale for the East Front extension; that the Capitol was once again in a state of virtual collapse, and the dome might topple at any moment if a helicopter flew too close. Interestingly enough, at about that time some crackpot set off a bomb that did considerable damage on the Senate side just off the Rotunda on the first floor corridor, and never caused even the slightest tremor from the dome.

The issue of that kind of extension was debated back and forth over several Congresses without results, but the clamor to do something about a collapsing Capitol grew to sizeable proportions. The Architect helped encourage this clamor by putting wooden reinforcements alongside the pillars which hold up the West Front portico plus two enormous buttresses against the exterior foundation of the West Front. Capitol employees were discouraged from painting the West Front stones, and pigeon droppings were allowed to accumulate. This lent an even more desolate air to this neglected portion of the Capitol, the last remaining part of the the original Capitol, and was intended to justify spending millions to extend it to prevent it from falling down.

In 1971, to settle this argument as to whether the Capitol was in fact actually falling apart, and whether a costly steel and marble extension like the East Front was needed to prevent such an impending disaster, the Congress appropriated \$250,000 (big money in those days) to hire the most prestigious architectural engineering firm in the country, Praeger, Kavanagh and Waterbury, of New York City. The Praeger study concluded that the structure was in fact sound, not in any danger of collapse whatsoever, and could not only be restored, but at a reasonable cost as well. The Praeger firm declared very firmly that extension was not needed, and said it would be better to restore the West Front than construct any kind of extension, just as had been done with other historic buildings, such as St. Paul's Cathedral in London. Unfortunately, the new Capitol Architect, Mr. White, has buried the quarter of a million dollar Praeger Report where few people can find it, and continued under Speaker Albert and Speaker O'Neill to push his dream of a steel and marble extension.

Some years ago, as Congress still refused to appropriate the \$60 million or more required to carry out this elaborate extension of the West Front, Mr. White proposed a "modified" plan. It abandoned the planned destruction of the Olmstead terraces, gave up the garbage drive, the restaurant, and also gave up the visitors center which was transferred, with disastrous results, to Union Station.

The modified White plan would fill in the empty spaces between the original Capitol and the wings only partially. But the damage to the visual impression of the West Front was still total, especially since the White plan also involved putting a triangular pediment on the top of the West Front portico, which turned the whole West Front into a flat, unrelieved warehouse type of structure, a very cheap imitation of the East Front. Even this moderate plan never got off the ground, mainly because Mr. White insisted it was impossible to find any contractors who would agree to merely restoring the Capitol's outer stone work, and continued to insist that nothing would do but extension.

Without agreement from the Senate on the needed funds, the "modified" White plan was eventually pushed onto the back burner in 1976, the bicentennial year, and then pushed back again for the Reagan inauguration.

However, hope springs eternal in George White's breast. This year, with a jobs bill on the statute books to take care of earlier "pork barrel" projects, the modified plan has suddenly surfaced again, though most people had forgotten all about it and its phony wooden buttresses. But the problem

is the same. The extension still fills in the dramatic recesses of the facade, places an unsightly pediment on top of the central wall, totally changing the historic and beautiful West Front, which most people regard as "the" front of the Capitol, and which served so graciously for the inauguration of President Reagan. In its place we would have instead a flat, heavy, unexciting, uninspirational imitation of the East Front, never visualized by Latrobe, Thornton, Bullfinch, Walter or any of the other long-deceased architects that George White regularly liked to use to prop up his long-lived West Front extension schemes.

In his most recent cost estimate, Mr. White contends that extension would cost only \$7 million more than restoration. (\$66 million for restoration versus \$73 million for extension.) I find this hard to believe, and urge the Committee to examine these figures very carefully. In fact Mr. White has previously claimed that restoration would cost far more than extension--despite Praeger's Report--and has alleged that no contractor could ever be found to bid on it anyway.

Now he seems to have changed his story. But if restoration was good enough to keep St. Paul's Cathedral in London going through the Blitz, surely it should be good enough to preserve the Capitol without destroying its historic shape, and without covering over the one last remaining visible portion of the original Capitol.

I recognize the need for some space to be made available in the Capitol for the House Appropriations Committee. But there is no justification for destroying this historic architectural monument just for the purpose of putting in costly hide-away offices for more senior members.

Actually the Appropriations Committee needs could readily be met by simply clearing the Architect and his large staff out of the window suites they now occupy facing onto the Mall. These quarters could readily be modified for the Appropriations Committee, and the Architect and his staff moved to one of the Congressional annexes, to the lower crypt or, better still to the underground office spaces which Senator Hollings and others have long suggested could be built at far less cost than would be involved tearing down the Capitol and rebuilding it out of steel and marble.

The question of the fate of the West Front has come to the floor of Congress for debate periodically over the last two decades. Historically, the House has voted for extension, but always by a small margin; and the

Senate has consistently supported restoration and won in conference. The last recorded House vote on this issue was 204 for restoration, 211 for extension, a pretty narrow margin. I would imagine that our present dire budget constraints would tilt the scales on the House side well toward restoration.

At a time of critical budget deficits, it would be most unseemly for this Congress to spend anything further for its own comforts, rather than just concentrating on preserving, for history, one of the architectural marvels of the Western World. I would especially urge the Committee to insist that Mr. White make public the space allocation within the Capitol. The 1984 budget shows 113 permanent, full-time positions, to increase to 135 by 1984. This seems most unreasonable and unnecessary. The Architects office is, after all, not really an architectural office at all, but a glorified janitor and grounds keeper operation. It has no right to occupy prime space required by major committees.

I have been in Congress for over 24 years, yet am still impressed by the beauty and the simple grandeur of the Capitol and its West Front, which I can see every day from my office window. I urge the Subcommittee to recommend that the West Front not be extended or changed in any way, but that it be restored, at the most reasonable rate, and that its architectural integrity be preserved for future generations of Americans.

STATEMENT OF JOHN M. MCGINTY, FAIA, ON BEHALF OF THE AMERICAN
INSTITUTE OF ARCHITECTS

Chairman D'Amato, members of the Legislative Branch Subcommittee, I am John M. McGinty, FAIA, practicing architect from Houston, Texas, and a past president of The American Institute of Architects. I submit written remarks on behalf of the American Institute of Architects, the professional association representing our nation's architects, and as chairman of AIA's the most recent task force on the West Front of the U.S. Capitol. Also serving on the task force were distinguished architects such as I.M. Pei, FAIA, and Frederick D. Nichols, FAIA. A statement in support of the task force's unanimous finding in favor of immediate restoration and a copy of the task force report have been submitted for the hearing record by Mr. Pei. Other documents in support of restoration have been submitted by Institute President Robert Broshar, FAIA, with his statement to the subcommittee.

This is the first opportunity in five years we have had before this subcommittee to state again for the record our support for the restoration of the West Front of the U.S. Capitol. The current disgraceful condition of the Capitol's western facade is very distressing, not only to the AIA and the other groups commenting today, but also to all those who visit this nation's capital city expecting to view a Capitol building appropriately maintained and cared for in accordance with public law and the public interest.¹

Because the West Front's state of disrepair deserves the full attention of the Congress, we thank Chairman D'Amato, for calling this important hearing. The efforts of this subcommittee can focus public attention and urge Congressional action for the

1. U.S. Code 40, Titles 163a and 166.

immediate restoration and protection of the Capitol. The AIA is very encouraged by the recent decision, issued after seven years of study by the Commission on the West Front of the Capitol, for immediate restoration of the West Front and by widespread Congressional and media support for the restoration. A copy of that Commission's report is submitted for the record with this statement.

The West Front of the U.S. Capitol building is in obvious need of immediate repair. Currently, two proposals have been made: (1) to extend the west central side of the building to provide additional office space for Members of Congress; and (2) to preserve this last remaining visible facade of the original Capitol building with modern restoration techniques, and to find alternative means, such as those recommended in the Capitol Hill Master Plan, to provide less expensive additional space.

Since 1937, the AIA has consistently represented its membership by strongly opposing extension or architectural modification of the U.S. Capitol. Since 1966, four task forces of the AIA have examined the proposals for the necessary repair of the Capitol's West Front and have unanimously held on each occasion that among the options, restoration would best achieve the positive architectural values of function, economy, esthetics and professional responsibility.

In 1969 Congress commissioned a study to determine the feasibility of restoring the West Front. At the same time, Congress approved \$2 million to be used for the preparation of plans for extension if the following five specific conditions relating to restoration could not be fulfilled:

(1) That restoration could be undertaken without creating unsafe conditions and that it would be durable and beautiful for the foreseeable future;

(2) That restoration would not cause any more temporary displacement of personnel from existing space than extension during the working period;

(3) That the plans for restoration would be adequate for competitive lump sum bidding for the final project;

(4) That the cost of restoration would not exceed \$15 million; and

(5) That the time for restoration activity would not exceed the time necessary for extension.

The feasibility study completed by the Praeger-Kavanaugh-Waterbury engineering/architectural firm in 1971 concluded that all five conditions for restoration could be met.

With the release of the Praeger report, the American Institute of Architects, at the request of the Architect of the Capitol, George M. White, FAIA, appointed a task force in 1971 to review the report and the AIA's long-standing policy supporting restoration of the West Front. The findings of this task force reaffirmed that restoration is not only feasible but imperative.

The Institute's opposition to the extension has been expressed in documentation and committee testimony during past Congressional hearings on the fate of the West Front of the U.S. Capitol. Mr. Chairman, I would now like to outline briefly the reasons why the AIA strongly recommends restoration.

1) DESIGN AND STRUCTURE Under the proposed scheme for extension, the infill between the central and flanking wings would destroy the articulation of the building's mass, which, in our opinion, is a very positive esthetic value of the present facade. The structure if extended would resemble one massive block. The

proposed infill would create a far more monolithic, flat and monotonous wall to the west. The extension of the center wing with its added fourth floor and elevated portico roof would add visual bulk to the massing and greatly diminish the visual impact of the dome as perceived from the Capitol grounds. This would be a considerable loss. Finally, the extension of the Center portico onto the Olmsted Terrace would bring the front uncomfortably close to the west edge of the terrace and terrace steps and give the terraces a rather crowded appearance.

The AIA commissioned a historical research project in 1979 to determine the validity of the contention that an extension is required to complete a previously adopted scheme or master plan as might be evidenced in the design of the Olmsted Terraces. Our consultant, William C. Allen, with cooperation and assistance from the Architect of the Capitol and his historian, Anne-Imelda Radice, prepared an original report that answers this question. The study concluded that the Olmsted Terraces were not predicated on any specific or certain expansion proposal although there was then, as now, sporadic discussion of the merits of westward expansion. Olmsted's surviving drawings show almost every conceivable variation ever proposed by anyone, including the suggestions of Bulfinch, Walter and Clark, in addition to his own. Clearly the Olmsted Terrace design was self-fulfilling. In fact, the Olmsted Terraces as built reflected the Congress' decision to construct a Library of Congress facility away from the Capitol and reject the extension of the West Front. A copy of that report has been submitted for the hearing record.

2) HISTORIC PRESERVATION AND CONTINUITY The existing West Front is the last evidence of the Capitol's original construction for which George Washington laid the cornerstone in 1793. Burying the

18th and 19th Century walls designed by architects Thornton & Bulfinch behind an extension will destroy this historic continuity. Entombment is not historic preservation.

The West Front is the only remaining visible facade of the original Capitol. It was designed by Thornton, Latrobe and Bulfinch and completed in 1822. The Praeger report suggests that restoration of the West Front could be partly accomplished by using the sandstone blocks and decorative elements removed from the original East Front of the Capitol building when it was extended and faced with marble in 1962. These sandstone blocks and decorative elements were put in the care of the Architect of the Capitol. These are materials that will not have to be purchased and can be treated to last hundreds of years. In addition, in 1979 the firm of Ammann & Whitney, which will be represented today, found that proper restoration of the West Front in situ will preserve at less expense the building's structural integrity and that a buttressing extension would be structurally redundant.

3) SPACE NEEDS AND MASTER PLAN In 1981, the Architect of the Capitol completed the Master Plan for Future Development of the Capitol Grounds and Related Areas, prepared under the authority of Public Law 94-59. The plan "provides a design to enable any future physical needs to be accomplished in conformity with an approved concept." When the Architect of the Capitol, George M. White, FAIA, presented the plan to the AIA Board of Directors in May of 1981, he assured the AIA that the Master Plan provides that future space needs of the Congress can be accommodated, and without expansion of the West Front of the Capitol. With this assurance, and because of the quality of the planning process and its results, the AIA Board commended the Architect of the Capitol and endorsed the Master Plan as presented. This Master Plan allows for much less expensive underground expansion under the east plaza

of the Capitol. Contemporary planning does not require stylistic continuity through purging of the past. It is also important to note that while the \$73 million extension claims 147,000 square feet of new space at over \$545 per square foot, only a fraction of that represents usable space. (The Hart Building cost about ~~\$95~~ ^{\$120} per square foot.) The extension that is proposed would make this the most expensive office building ever constructed.

During the recent hearings of the Public Buildings and Grounds Subcommittee of the House Public Works and Transportation Committee, it was revealed that, at most, only 79,000 square feet of net usable space will result from an extension of the West Front. This is due to the less functional design that is typical of most monumental structures, including exceptionally thick walls, high ceilings, large hallways and stairways. Efficient design strategies to provide congressional office space elsewhere are abundant.

In fact, using the Architect of the Capitol's own extension figures, the 79,000 net square feet of usable space will cost the taxpayers over \$925 per square foot, assuming the extension is built within budget. At the Public Buildings and Grounds Subcommittee hearing, a spokesman from the Architect of the Capitol's office testified that the \$925 per square foot figure does not include possible cost overruns or funds for furnishings and furniture. These additional costs will obviously escalate the extension's cost even more. Simply stated, much cheaper congressional office space is available through other more reasonable alternatives. During previous hearings on this subject before this subcommittee, numerous witnesses testified about the reasonable costs of expanding the Capitol offices underground.

The recent House hearings also pointed out that current and future space utilization and need within the Capitol remain unknown. If

and when the current utilization of Capitol office space is assessed, Congress must decide the functions critical to the building itself and then determine if the extension is even necessary. If Congress determines that its space needs far exceed the extension's 79,000 square feet of usable space, the proposed extension would be an even greater mistake than it currently appears. If non-legislative and non-essential functions are moved from the Capitol and a more efficient space utilization plan is implemented, the proposed extension may prove unnecessary.

During FY 73 and FY 74 Senate Legislative Appropriations Subcommittee hearings the Architect of the Capitol responded to a question by Senator Ernest F. Hollings by stating that if Congressional space needs could be satisfied outside the Capitol then extension would not be necessary. Mr. White stated, "...I think I have mentioned to you [Hollings], that if it could be said that there is no need for space now and never will be any future need in the Capitol Building, I wouldn't extend the West Front just simply to have an extension. I think if we are not ever going to need the space, if it would just become a burden, I would agree that would certainly be a waste of time and money."

4) STRUCTURAL INTEGRITY Engineering and feasibility studies commissioned by the Architect of the Capitol (Praeger-Kavanaugh-Waterbury in 1971 and Ammann & Whitney in 1979) have sustained the AIA's position that proper restoration of the West Front in situ will preserve the building's structural integrity. Previous hearings have found unanimity on this point.

While the Institute feels that restoration would cost far less, the decision to compromise the architectural quality of the building should not be based on financial projections alone. The AIA proposed 15 years ago that restoration of the West Front was necessary and should be immediately undertaken. Ten years ago the

cost of restoration was projected at less than \$13 million. Today, the Architect of the Capitol estimates restoration costs to be \$66 million. Further delay will only increase the cost and allow further deterioration.

In conclusion, the AIA has long held the policy position that only by restoring the West Front as it was originally designed and constructed can the architectural integrity of this most famous national symbol be preserved. As I mentioned earlier, last month the Commission on the West Front after seven years of review agreed. This restoration would protect the last exposed original portion of the Capitol and leave unimpaired one of the most outstanding monuments in our nation's capital city, if not our nation. Also, it should be clear that by extending the West Front for additional office space, thereby changing significantly the appearance of the building and the visual impact of the dome, the cost would be substantially higher than for simple restoration. Extension of the West Front would also run contrary to the public outcry against building exceptionally expensive Congressional office space at this time. That the new offices would be constructed at the expense of the appearance of the Capitol's West Front is hard to comprehend from both a budgetary and architectural standpoint.

In commenting on plans for changing the design of the nation's Capitol building during his Presidency, Thomas Jefferson said: "It is necessary that some stability of plan be observed; nothing impedes progress so much as perpetual changes in design." Jefferson saw the Capitol as the first temple dedicated to the sovereignty of the American people, embellishing with Athenian taste the cause of a nation looking far beyond the range of Athenian destinies. Thomas Jefferson was a leader with vision.

He was right. Our nation's Capitol building is more than an office building. It is the symbol of our nation and its history. It should not be victimized by a purported shortage of office space when other alternatives exist. Like it or not, this building is now a monument, albeit a working monument--and there is no such thing as an efficient or economical monument. Any extension or alteration we make to this building will become a symbol of our attitude toward our heritage.

It is the AIA's hope that the subcommittee's hearing will produce a clear-cut national mandate to restore the Capitol and to maintain it as public law demands so that the present disgraceful state does not reoccur.

The American Institute of Architects offers you, the other members of the subcommittee, and the entire Congress its assistance and expertise on the issue of the West Front. We also offer any data or staff resources necessary to bring the issue of the West Front to a point of resolution that will restore the West Front as Americans have always known it.

Thank you.

STATEMENT OF MICHAEL L. AINSLIE, PRESIDENT, NATIONAL TRUST FOR
HISTORIC PRESERVATION

Mr. Chairman, I am Michael Ainslie, President of the National Trust. We are very pleased to have been invited to share with you our views on the issue of preservation or extension of the U. S. Capitol building.

As the sole, national private organization chartered by the Congress and charged with responsibility for furthering the preservation movement in the United States, the National Trust wishes to reiterate its long-standing support for the retention and repair of the central portion of the West Front of the Capitol. We are most encouraged by the vote on March 15th in favor of restoration by the Commission on the West Front of the U. S. Capitol. In view of the dramatic collapse of a portion of the West Front's wall, we urge your Committee to appropriate immediately the funds necessary to proceed with the restoration project.

Public debate has brought into question two key issues, which the National Trust urges this Committee to review carefully before acting on any appropriation for this project.

1. The architectural program for the proposed uses of the space created by an extension should be studied. Almost all building projects we are aware of usually have a carefully thought out program of what the resulting building space will be used for. It is clear to us that this has not yet taken place with respect to any possible extension.
2. The projected restoration cost estimates, versus the current extension cost submitted by the Architect of the Capitol, should also be studied. Recent testimony evidenced a confusing and often conflicting range of projected cost figures. These figures, their historical basis, the assumptions used to update them and their precise meaning require a far more complex presentation and review. Alternative studies showing that restoration costs would be far cheaper than extension should be considered.

The U. S. Capitol is without question among this nation's most important architectural and historical landmarks. Its symbolic value to the people of this country and the world cannot be taken lightly. The West Front is the last remaining exterior portion of the building that contains 18th and 19th century elements designed and built by Dr. William Thornton, Benjamin Latrobe and Charles Bulfinch.

Congress itself stated in the Historic Sites Act of 1935 that "it is a national policy to preserve for public use historic sites, buildings and objects of national significance for the inspiration and benefit of the people of the United States."

This policy was further enunciated in the National Historic Preservation Act of 1966 in which the Congress declared that "the historical and cultural foundations of the nation should be preserved as a sense of orientation to the American people." Executive Order 11593, issued in 1971, stated that "the federal government shall provide leadership in preserving, restoring and maintaining the historic and cultural environment of the nation." Surely, one of our country's most historic landmarks and most tangible symbols of our government, the Capitol building, should not be exempt from the expressed national concern for the preservation of our heritage.

Last year, Alan Boyd, the Chairman of our Board of Trustees, appointed a special committee to review the National Trust position on the preservation of the West Front and to report its findings to the Board. The committee met with Mr. George M. White, FALA, Architect of the Capitol, on May 6, 1982. Mr. White made a presentation to the committee and escorted them on a walking tour of the West Front and recently restored interior spaces of the Capitol. This presentation of the alternatives before the Commission on the West Front, and ultimately before the Congress, reaffirmed our convictions.

The National Trust committee made the following report to our Board:

1. The nation is fortunate to have someone of Mr. White's education, professional qualifications and deep concern, holding this important position.
2. The National Trust applauds the award-winning restoration work which has been completed, under Mr. White's leadership, on the Rotunda, the former House of Representatives, the Old Senate and Supreme Court Chambers. Mr. White has consciously retained and recaptured the qualities reflected in earlier periods of the building during this restoration work. The emphasis on ambience and the ceremonial aspects which are now so well expressed in the interior of the building should also be reflected on the exterior.
3. The National Trust frequently and wholeheartedly acknowledges and supports the process of change in buildings over the course of time. However, in the case of the West Front, we are dealing with a national and international symbol and a landmark of uncommon character and, therefore, we maintain that those last remaining elements of the earlier building periods, as seen in the West Front, should be retained and repaired.
4. Thus, we reiterate the position that the National Trust has previously taken and recommend that the West Front not be extended but retained and repaired as necessary.
5. We also would note that the Capitol Hill Master Plan (the Trust participated in its development) includes significant preservation elements. The use of this master plan to identify means of expansion for the Capitol building should be considered when ways to meet expanding space requirements for the Capitol are under consideration.

Our Board voted unanimously to accept the above report and reiterated the Trust position supporting retention of the West Front.

In closing, Mr. Chairman, we believe that the plans for a careful restoration of the West Front represent the best choice for our nation. The plan for extension will result in an unnecessary desecration. Accordingly, we urge you to appropriate funds for the restoration, rather than extension, of the West Front of the U.S. Capitol.

STATEMENT OF DAVID GRINNELL, CHAIRMAN COMMITTEE OF 100 ON THE FEDERAL CITY

For more than 50 years, the Committee of 100 on the Federal City has sought to encourage the orderly and beautiful development of our National Capital and the preservation of its historic and natural features. Recently the Committee has taken a strong interest in, and greatly appreciates, the preparation of the master plan for the U.S. Capitol precincts. Therefore, the Committee of 100 is concerned with the issues regarding the West Front of the Capitol and respectfully submits the following recommendations and comments for consideration by Congress.

--The Committee of 100 on the Federal City strongly supports the restoration of the West Front of the U.S. Capitol, in situ and including retention of its historic materials and architectural design.

--The Committee also supports concurrent actions to preserve and protect the architectural integrity of the West Terraces, their steps, and the surrounding landscape of Capitol Square.

--The Committee recommends the earliest possible redevelopment of the East Plaza of the Capitol according to the concepts proposed by the Architect of the Capitol in the Master Plan, so as to resolve many of the space and servicing issues which over the years have been related to proposals for the West Front.

Architecturally, the Capitol and its terraces, the landscaping of Capitol Square, and the monumental Mall vistas have come to form a unified design which deserves Congress' recognition and protection as an historic entity. Its human scale and splendor are not only a tribute to the talents of planners, architects, landscape architects, and other artists and craftsmen throughout the Nation's history, but the entire composition is a testament to 200 years of foresight and exertions on the part of senators and representatives, presidents, officials and citizens.

First and foremost in its development, the Capitol group has been regarded as a continuing symbol of the growth, dignity and aspirations of the Nation. In its present form the Capitol particularly shows tangible evidence of its historic qualities, including signs of age, tribulation and compromise as well as enduring achievements. Nowhere else in Washington can such historic evolution and its significance be so uniquely, readily and popularly appreciated as it is along the existing West Front.

Destruction of these landmark qualities would be a tragic loss to the Nation, either as the result of further decay of from rebuilding or extension of the West Front. In the conclusion the Committee of 100 concurs with the long-standing views of other citizen, professional and preservation organizations, namely the American Institute of Architects and the National Trust for Historic Preservation, which have been submitted for consideration during the present hearings.

BACKGROUND NOTES

Re: Doing nothing. The present shoring is necessary, but unsightly, and something must be done for the safety of the building.

Re: Feasibility of facade restoration. Four task forces of the AIA have examined this technical problem. The AIA endorses the Amman and Whitney proposals for reinforcing the walls in place.

Re: Replication of facades. It has always been tempting to exceed a true reproduction, both in form and architectural

embellishment. "Replication" outside the present walls would be historically misleading and a significant alteration of the original architecture.

- Re: Aesthetic improvement of design. Many parts of the Capitol are admittedly less than perfect. This particular controversy goes back to Latrobe and Bullfinch--over 150 years. The AIA has opposed changes on an aesthetic basis since 1939. Supposed improvement considers only frontal views of the dome and colonnade relationship. A larger central portion of the building would impair many of the angular views established by the L'Enfant Plan and Olmsted design for streets and walkways in the surrounding setting; e.g. the proposed new facade would be thrown out of line with the axis of Pennsylvania Avenue.
- Re: Changes to terraces. Happily, revised designs by the Architect of the Capitol incorporate the existing terraces, recognizing criticism that proposals for extension or additional fenestration of the terraces would have changed the Capitol's appearance to suggest a 5 or 6-story building cut into the hill. It is vital to retain a feeling of the hill standing as a pedestal for the Capitol, as originally conceived by L'Enfant and President Washington.
- Re: Changes to the East Plaza. Underground use of the plaza, surface rehabilitation and improvements, and inconspicuous access ramps for parking and servicing were some of the most attractive concepts advanced in the recent master planning. These are sorely needed improvements in their own right. This better design indicates the importance of caution in making changes to the Capitol, since many of the servicing proposals were proposed as "essential" to the West Front designs of 10-15 years ago.

STATEMENT OF NELLIE L. LONGSWORTH, PRESIDENT, PRESERVATION ACTION

As President of Preservation Action, the national citizens lobby for historic preservation and neighborhood conservation, I am writing you in support of the preservation of one of our nation's most treasured national landmarks: The United States Capitol.

There is no argument that the West Front of our nation's Capitol is in desperate need of repair. One only has to stand beneath the facade to observe the effects of more than one hundred years of sun, wind, rain, snow, and even fire. The original sandstone face is filled with cracks and the portico columns are cluttered by wooden braces (whose utility is particularly questionable today). Undoubtedly, action must be taken quickly to remedy this rapidly deteriorating situation. To this end, Preservation Action is requesting that you, and your subcommittee, recommend action which will result in the restoration, without extension of the West Central Front of our nation's Capitol.

The U.S. Capitol is one of the most important National Historic Landmarks in America. It deserves that status for many reasons, not the least of which is its architectural history and significance. The existing West Front is the last evidence of the exterior portion that contains 18th and 19th century elements designed and built by William Thornton, Benjamin Latrobe, and Charles Bullfinch. Restoration of the facade would preserve the architectural integrity of this original structure, and retain for future generations an example of the original appearance of this most important of American buildings. Alterations have already been made to all other exterior fronts of the Capitol. Preservation Action strongly encourages taking advantage of this opportunity to preserve the only example of the Capitol's original architectural continuity.

The U.S. Capitol's National Landmark status is also well deserved because of the significant contribution this structure has made to our nation's history. If we had time to ask people all across this country what building in the nation's capital city was most familiar, the Capitol would undoubtedly be named countless times. It has become not only a national, but also an international symbol of our country.

The proposed plans to extend the West Central Front of the Capitol would significantly alter a view of the building which has become very familiar to Americans. According to the current plans, the West Front would be extended some twenty to sixty feet. Although these plans, developed by George M. White, present Architect of the Capitol, do allow the historic Olmstead Terraces to remain unaltered, the extension of the center portico would greatly reduce the view of the dome. As one approaches First Street and the Olmstead Terraces the once well recognized sight of the dome projecting out of the center of the Capitol would become one that is totally new and unfamiliar.

Our country is known for its ability to change, adapt, and move forward; but, in our haste to grow, we must put in proper perspective the necessity of maintaining the important components of our past. Preservation Action is an advocate

of historic preservation that adapts itself to current uses; we have never believed that every rehabilitation must adhere to "house museum" standards. This, more lenient "adaptive use" is widely supported and widely practiced by preservationists today. The success of any adaptation of historic properties for present day use frequently depends on the ability to create enough space, within the physical confines of an existing historic structure, to accommodate necessary modern facilities. The need for additional office space comes into question when considering the options for treatment of the West Front Facade. Preservation Action is sympathetic to the lack of adequate office facilities for Congressional members and staff, however, we cannot support the creation of additional office space at the expense of West Front of our Nation's Capitol.

In 1981 George White, Architect of the Capitol, discussed the Master Plan for Future Development of the Capitol Grounds and Related Areas with members of the American Institute of Architects Board of Directors. During that explanation of the Master Plan, Mr. White gave assurances that future space needs of the Congress can be accomplished, and without expansion of the West Front of the Capitol. Preservation Action applauds Mr. White's assessment of possible solutions to future demands for space; and, we encourage the further consideration of other designs that will provide additional space without violating the historical and architectural integrity of the West Front of the United States Capitol.

In closing I reinforce the urgency and importance for a recommendation that allows restoration of the West Front to begin immediately. If the decision is delayed, or if an extension of the facade is approved irreparable changes will be made that permanently alter this most eminent of our nation's Landmarks.

Thank you for your consideration of these remarks.

STATEMENT OF PROF. BARBARA MILLER LANE, FELLOW, NATIONAL GALLERY OF ART, SOCIETY OF ARCHITECTURAL HISTORIANS, AND FREDERICK NICHOLS, FELLOW, AMERICAN INSTITUTE OF ARCHITECTS, UNIVERSITY OF VIRGINIA

I am Barbara Miller Lane, professor of architectural history at Bryn Mawr College, and currently a senior fellow at the National Gallery of Art where I am writing a book on the history of Government buildings.

I testify today, however, not on behalf of my own scholarship but on behalf of the Society of Architectural Historians, at the request of its president, Prof. Damie Stillman, of the University of Delaware.

In support of my statement I will read from a position paper prepared for the society by Prof. Stillman and will refer also to material submitted by Richard Longstretch, chairman of the Committee on Preservation within the Society of Architectural Historians.

The Society of Architectural Historians is a nationwide organization of more than 4,000 architects, planners, scholars, college and university teachers, preservationists, and private individuals.

The common concern of the members of this society is architecture, its history, and the preservation of our architectural heritage.

On behalf of this society I should like to express our strong opposition to the proposed replacement of the central portion of the West Front of the U.S. Capitol by a westward extension.

Although the members of the Society of Architectural Historians realize the need of the Congress for additional space, and, indeed, sympathize with that need, we believe strongly that such space can be provided elsewhere, nearby, at far less cost—at far less cost financially, we hope—but in any case, at far less cost historically, for the obstruction or, at best, the obscuring of part of the original fabric of our Nation's Capitol and most significant building would cause irreparable damage to our national heritage.

The Congress has taken the lead in creating legislation that recognizes the significance of historic preservation, and promotes historic preservation as one facet of an effort to save our cities and the urban fabric of the land.

The Congress has recognized that part of our link with the past, and with the greatness of the American tradition, is exemplified by those buildings whose very existence conjures up the famous events and significant individuals that have figured in our history and have made our country what it is.

To replace the most significant exterior portion of the original Capitol still extant, that front most visible from the Mall and most remembered by millions of citizens throughout the country, would make a mockery of those acts of Congress in support of historic preservation. And it would undermine all of the congressional and private efforts to promote preservation of our Nation's architectural heritage.

Even were the intention to rebuild the present facade further to the west, we would be extraordinarily concerned, for a reproduction of the original would not carry any of the significance, either architectural or historical, of the original building.

We have seen reproductions of Independence Hall in various places; none of them, we all know, has the significance or value of the original building in which the Declaration of Independence was debated, moved, and proclaimed.

The same would, of course, be true of any kind of reproduction of part of our Nation's Capitol even if it were physically adjacent to the site of the original.

To build a new central portion of the West Front as it might have been is an even more troubling prospect: although Thomas U. Walter's mid-19th century proposal for a new West Front may be an interesting or even exciting design, it was not, in fact, carried out. It, therefore, joins thousands of beautiful unexecuted projects by architects throughout the ages.

Our members, many of them, study, publish, and teach about such unexecuted projects; but none of our members would suggest that such a project be built to rectify the mistakes or the lost opportunities of the past. To do so would be to distort history, not to preserve it.

We do not advocate preservation merely for the sake of nostalgia. In this case, for example, we are not confronted with merely an interesting and informative memento of a bygone era, but with one of the most significant and familiar reminders of our national history: of the continuing tradition of our representative government, in the shape of a work that has functioned both well and expressively for a century and a half, and that symbolizes that unique achievement for all to see.

To replace this work in order to acquire a relatively small amount of admittedly much needed space, space which could be acquired elsewhere less expensively and with less damage to our Nation's heritage, would, in our view, be both a serious mistake and an irreparable loss for the Nation.

I, therefore, earnestly recommend on behalf of the Society of Architectural Historians that the Congress not move ahead with the potentially disastrous project to extend the West Front of the Capitol.

Instead, we urge that alternatives be explored which will give the Congress the space it needs without destroying the fabric and the image of the Nation's most significant building.

[From Creativity, March 1, 1983]

FALLING BOOKS BLOCK FADING LIGHT

(By David C. Huckabee)

If the Architect of the Capitol gets his way, approximately 20 percent of the total window area of the Madison Building will soon be covered by the long-planned, long-delayed, 40,000-pound, falling book sculpture.

No, the falling book sculpture is not a myth. The bronze decorative screen, as it is referred to in official documents, is scheduled to begin cascading over the heads of unsuspecting visitors to the Madison Building in April, when it is to be installed over the one large window at the front entrance of the building.

Most Library employees had erroneously assumed that the falling book sculpture had been eliminated from the building plans because (1) it was a bad idea; (2) the Librarian was thought to be opposed to it; and (3) the architecture critics had panned it. (Wolf Von Eckardt in 1980 described the decorative frieze as the "book-hater's revenge for the cost of the Library . . . dimming the only sizable source of natural light in this entire 1.2 million square foot box.")

The falling book sculpture will not only substantially eliminate natural light from the entrance lobby of the building, but it will directly affect employees working on the third through fifth floors of the building. Employees affected will include the Government Division of CRS which will lose the only common access window in the Division; the Copyright Public Information Office; and the Subject Cataloging Division Office.

After CREA learned in October 1982 that the Architect intended to go ahead and install the sculpture, President Brown, acting on behest of a number of concerned Government Division employees, contacted staff members of the Senate Environment and Public Works Committee. In September 1982, the committee had been referred a bill (H.R. 6666) that provided an additional \$8,140,000 to complete the James Madison Building. Included in the report on H.R. 6666 was a justification for \$2,187 for additional support work—bronze decorative screen. (As best as can be determined from the legislative history of Madison Building funding, at least \$50,000 has been previously authorized for this matter.)

Environment and Public Works Committee staff members expressed interest in recommending an amendment to H.R. 6666 to prohibit the installation of the screen in front of any window in the building, authorizing instead that it be installed on any of the many blank walls of the building. H.R. 6666 died at the end of the 97th Congress. Thus, a Madison Building authorization bill will have to be reintroduced this Congress.

Although the time is late, it still may be possible to save the only substantial source of natural light for employees working on the first five floors of the building. CREA urges those who are concerned to write their Senators and Representatives about this matter.

SUBMITTED QUESTIONS

Senator D'AMATO. As I stated earlier, we have a number of questions which I would like to submit at this time for your response.

[The following questions were not asked at the hearing but were submitted for response for the record.]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

WEST FRONT

GENERAL

QUESTION: The 1978 Ammann and Whitney report on the West Front indicates that "our structural analysis of the walls and masonry vaults has revealed conditions of high stress not indicated in previous feasibility studies." The report recommends that if "it is not decided to proceed with the total restoration, certain repair items should be given priority." The report indicated that these items should be undertaken without delay. Have any of these repairs taken place since release of this report? If not, why not?

RESPONSE: Ammann and Whitney recommended that three priority repair items proceed if no decision was made to go forward with the restoration program. These are:

- 1.) Installation and grouting of corner, wall and arch ties to strengthen the walls supporting the highly stressed masonry vaults. This will provide an improved factor of safety for this portion of the existing structure;
- 2.) Strengthening of the foundations by grout injection. This would include removal of the screen walls, repointing the foundation walls, and reconstructing the screen walls. The present condition of the screen walls is permitting water and frost to penetrate to the masonry foundations, which could eventually cause deterioration of the lime mortar used in the construction and weaken the foundation;
- 3.) The roof over the attic plenum at the Senate Wing. This roof was badly deteriorated and has already been replaced.

In addition, although not one of the priority items, the excessive document storage loading in the attic on the House side was removed.

The lateral wall ties and the grouting of the foundation were not funded, presumably because of the continuing disagreement between the House and the Senate regarding the method of resolving the entire West Front controversy.

QUESTION: If the proposal to fix the West Front once again is stymied by House-Senate differences, what must be done in time short term to insure the west wall does not become a safety hazard? How long can we go without repair?

RESPONSE: There is no patent manifestation of a safety hazard; it is the considered opinion of consultants that any change in the internal condition of the wall would be presaged by visible evidence such as additional cracking or the widening of existing cracks. Monitoring of those conditions is carried out on a periodic basis. No one can be certain how long repairs can be deferred; it is therefore deemed prudent not to defer any longer than absolutely necessary.

QUESTION: It is puzzling that we could construct a major building

with a marble exterior for only \$7 million, or 10% more than simply restoring a wall of an existing building. How is this possible?

RESPONSE: Construction of the extension to the West Front is a reasonably straightforward project. New construction does not rely on as many unknown factors as does restoration. Restoring the existing wall requires that many different factors must be taken into consideration.

As can be seen from the detailed cost estimates, the work involved in properly restoring and reconstructing the existing wall and related areas so that it will be safe for the foreseeable future is an extensive and therefore expensive activity. It is manifestly not a simple matter to restore an old masonry load bearing wall that is part of a structure composed of various types of masonry vaults that were not originally constructed with high quality workmanship or materials; further the wall itself is composed of an exterior wythe of deteriorated sandstone, an interior wythe primarily of rubble masonry and the spaces between filled for the most part with loose rubble and some inferior lime mortar. Test borings made of the subsoil and tests made of the existing footings and foundations as well as tests made of the wall itself, corroborate the need for great care to be taken in any work that is done on the structure. That brief and thus oversimplified description of the basic condition is indicative of some of the reasons why it is an expensive project.

QUESTION: To the actual estimates for the extension has been added a ten percent contingency, while a 35% contingency has been added to the restoration estimate. If these contingencies are excluded, the figure for extension is \$66 million, and restoration would cost only \$49 million. Why have different contingency percentages been added to the two proposals? Is this standard practice in the industry? How did you arrive at these figures?

RESPONSE: Different contingency percentages were applied by the separate and disinterested cost estimators. It is proper and prudent practice in the industry. The percentage for new construction is normally computed at only 10% because, with complete working drawings and specifications, very few unknown matters can be expected to arise that will add cost to the project. Any restoration project is obviously incapable of such certainty, even with complete working drawings and specifications, because of the many unknown conditions that exist in an existing old building, particularly one with the varied and widely fluctuating physical circumstances that this one has experienced. It can be compared to a physician operating on a patient with a partially known and partially unknown disease. One cannot be certain what one will discover inside the patient. It is therefore not unusual in circumstances of this kind to have a larger contingency percentage than one would use in new construction. In this case, 20% was used by the estimators for known contingencies and 15% for unknown contingencies, or a total of 35%.

QUESTION: I understand that when the East Front was extended, the materials were to be used for the repair of the West Front. How much sandstone was removed in the construction of the East Front addition? How much remains? What use can be made of this in both extension and restoration plans for the West Front? What savings does this constitute?

RESPONSE: Approximately 40,000 cubic feet of sandstone were removed from the East Front of the Capitol during its extension in 1959-61 and has remained stored in Rock Creek Park, by agreement with the National Park Service, and in Poplar Point Nursery of the U.S. Botanic Garden. The Commission on the Extension of the U.S. Capitol authorized the transfer of 23 of the 24 columns, capitals and bases from the original East Front portico to the National Arboretum, U.S. Department of Agriculture, comprising approximately 5,000 cubic feet, and the transfer of stone as required to the U.S. Capitol Historical Society for fabrication of souvenirs for sale at the Capitol Visitors Center, comprising to date approximately 30 cubic feet. In addition, the Commission approved use of the stored stone for restorations at the Port Tobacco County Courthouse requiring 185 cubic feet of stone, and at Decatur House requiring 40 cubic feet. Thus, approximately 34,700 cubic feet of stone remain stored as described.

The stored sandstone could be used for replacement of damaged stone in either extension or restoration in place. In the case of extension, very small amounts could be used to restore the segments of the original wall left exposed as interior walls and, of course, additional sandstone for this purpose from the West Front itself would become available if the extension alternative is selected. In the case of restoration in place, some stored sandstone could be used to replace an estimated 17,000 cubic feet of damaged stone but at no savings.

The sandstone has, of course, been in exterior storage for almost twenty-five years and has deteriorated even further. It is composed of various sizes and shapes and would have to be picked up and loaded for transportation to a stone fabrication plant to be recut to the needed sizes and then transported to the project site. Recent experience indicates that such handling and re-handling is more costly than fabricating new stone at the quarry for immediate delivery to the site.

It should be noted that Ammann and Whitney, the consulting engineers for the restoration-in-place alternative, strongly recommend that limestone be used for replacement stone in lieu of sandstone, because of its superior strength and durability, and its chemical compatibility with the existing sandstone. Because the wall would be painted, the slightly different appearance of limestone would not be apparent.

QUESTION: Does either proposal risk damage to the interior of the Capitol in the West Central Front? What murals or frescoes are in this area which would require special protection?

RESPONSE: The restoration proposal entails risk to the interior of the Capitol. Many of the surfaces are highly decorated wall and ceiling murals executed in both fresco and oil. These were accomplished at the turn of the 20th century.

The restoration proposal, because of the extensive drilling of holes and use of the rods and grout materials could have adverse effects. The vibration caused by drilling could cause cracking and spalling of the plaster surfaces. Internal stresses could thus develop in the masonry, causing the plaster's adhesion to the masonry to fail. This situation occurred during a test drilling procedure.

EXTENSION

QUESTION: The extension proposal includes some drilling of holes in the existing west wall for structural reasons. Why? Wouldn't the new building provide the needed support for the existing wall?

RESPONSE: The extension proposal includes some drilling of holes and installation of wall ties as a special safeguard against possible damage during an earthquake. They were included in order to adopt a more conservative approach and thus a more expensive approach to the extension proposal so that it would not be said that costs were minimized as a means of being deceptively persuasive. Actually the new structure would indeed provide the needed support; the prospect of a violent earthquake is now deemed remote enough to enable the drilling of these holes and hence the cost, to be eliminated. Similar construction, i.e., without drilling holes or inserting wall ties, was used in the East Front Extension.

QUESTION: How many holes would be drilled under extension?
 What is the cost of this portion of the proposal?
 How much work on the existing wall would be done under the extension proposal? At what cost?
 What total is included in the extension proposal for interior costs?
 Would you please provide your detailed cost estimates to the subcommittee?

RESPONSE: As noted above, no work would be done on the existing wall under the extension proposal and thus no cost would be incurred.
 The base construction cost for the interior work is estimated to be \$3,950,000.
 The cost estimate is attached herewith.

**EXTENSION OF THE WEST CENTRAL FRONT OF
 THE UNITED STATES CAPITOL**

Poor, Swanke, Hayden, Connell and Robert's report of March 1978, including General Contractor's OH & P, Interior Finish and Alternate "A" Seismic Restraint, has been updated to January 1, 1983 (Unit costs have been adjusted as near as possible to the current possible cost of these items.)

Sitework

Removal to Storage
 Removal to be Reinstalled
 Underpinning -
 Working Mat and Footings
 Excavate, Sheeting and Shoring

\$ 2,269,600

Concrete Work

Foundations
 Superstructure

\$ 2,747,600

Masonry

Brickwork and Blockwork
Stonework

\$16,753,000

Metals

Structural Steel
Miscellaneous Metals
Ornamental Lanterns

\$ 1,834,000

Carpentry

\$ 57,700

Thermal and Moisture Protection

Insulation
Flashing and Sheetmetal
Roof Accessories
Caulking

\$ 303,400

Doors and Windows

Hollow Metal
Bronze Doors and Windows
Hardware and Specialties
Glazing

\$ 373,000

Finishes

Lath and Plaster
prayed Fireproofing
Tile
Terrazzo
Interior Marble
Painting

\$ 746,900

Specialties

Fire Extinguisher Cabinets
Flagpole
Toilet Accessories

\$ 23,300

Elevators

\$ 872,300

Mechanical

HVAC
Plumbing -
- Sprinklers
- Fire Standpipes
Mechanical Service Changes

\$ 2,796,000

Electrical
Electric Service Changes

\$ 1,467,000

Basic Construction Cost
Adjusted to January 1, 1983

\$30,243,800

Add: Interior Finish \$ 3,950,000

Add: Alternate "A" Seismic
Restraint 248,147

\$34,441,947 ✓

Escalation 1-1-83 to 1-1-84 @ 10% 3,494,200

Escalation 1-1-84 to 1-1-85 @ 10% 3,788,600

Escalation 1-1-85 to 1-1-86 @ 10% 4,167,500

Escalation 1-1-86 to 1-1-86 @ 10% 2,300,000

\$48,192,247 ✓

Contractor's OH & P 20% 9,628,500

\$57,820,747 ✓

Contingency 10% 5,777,000

\$63,597,747 ✓

Professional Services and
Management 15% 9,532,000

\$73,179,747 ✓

Say \$73,000,000

QUESTION: The extension would provide 147,000 square feet of space. How much of this would be usable, i.e. for offices, versus corridors, etc.? What use would be made of this space?

RESPONSE: Approximately 80,000 usable square feet would result. The actual uses would be determined by the Speaker on the House side and by the Committee on Rules and Administration on the Senate side. Suggested uses are for joint committees, joint conferences, committees generally, constituent conference spaces, expanded cloak room areas, additional press and television space, and centrally located space for general assignment as is presently provided by use of EF-100.

QUESTION: Does the cost of extension include all interior construction? What about furniture and furnishings? What additional amount would you expect to be required for these items, based on past experience with Capitol offices?

RESPONSE: The cost of extension includes all of the interior construction costs. Furniture and furnishings for this space have not been included. When the final use for this space has been determined, a furniture cost can be developed.

QUESTION: Under the extension proposal, how much of the actual now exposed surface will be moved west?

RESPONSE: None of the existing central wall surface will be moved under the extension proposal. Rather, a new wall will be constructed some 22 feet to the west of the old basement wall. The two existing marble links between the present House and Senate wings and the central portion of the building will be extended to the west.

QUESTION: What was the position of the groups now opposing an extension to the West Front, such as the American Institute of Architects and National Trust for Historic Preservation on the Extension of the East Front?

RESPONSE: The American Institute of Architects and the National Trust for Historic Preservation both opposed the extension of the East Front in 1957-58, while favoring the extension of the West Front. No criticism of that Extension has been made since its completion in 1962. Said Douglas Haskell, FAIA, then Editor of the Architectural Forum, at the 1958 AIA Convention, "The real needs of the Congress could in any event be best cared for by extending the building to the West where there is no great architectural masterpiece to be preserved." Richard H. Howland, then President of the National Trust for Historic Preservation was quoted in the Congressional Record of March 11, 1958 as saying, "work must still continue to keep the building in repair, to extend the western facade and wings, if needed..."

RESTORATION

QUESTION: What material do you anticipate using for the west wall if Congress votes for restoration? What are other alternatives, and what would the impact on costs be of using these other materials?

RESPONSE: Two materials have been proposed to be used as replacement stone where necessary - sandstone taken from that stone saved when the East Front was extended, and limestone if there is not a suitable piece of sandstone available. Limestone is the recommended material for replacement of damaged and deteriorated sandstone. Other alternatives are the existing sandstone remaining from the East Front or other types of similar stone. The limestone alternative is computed to be less costly than sandstone over time due to lower maintenance costs. Another alternative would be to reconstruct the entire wall in marble. Although the initial construction cost would be much higher, marble is more durable and requires less maintenance than either limestone or sandstone, and would not need painting every four years to match the rest of the building.

QUESTION: If Congress votes for restoration is it possible that after the paint is removed that the condition of the sandstone could exceed expectations, thus lowering restoration costs?

RESPONSE: It is highly improbable; tests made during the analysis period indicate that when paint is removed, deteriorated stone otherwise hidden under as much as one-quarter inch of paint, is manifested. Thus more rather than less cost is anticipated and is highly probable.

QUESTION: In the early 1970's, a reputable firm estimated that restoration could be accomplished for about \$15 million. Of course that figure would be much higher today, but nevertheless substantially under \$66 million. Why is that not a viable proposal for restoration?

RESPONSE: The Praeger Kavanagh Waterbury study, which is referred to, does not provide for several major restoration needs. These are the lack of treatment of the differences in the structural condition of the wall, the uncertainty of adequately or securely filling voids with the pressurized grout material, the potential for additional damage to the wall by sealing it and making it structurally rigid with the grout, and the danger of interior damage through condensation or grout leakage. The structural analyses of the late 1960's were not capable, with the state of the art at that time, of properly analyzing the true structural characteristics of the building and hence the proposal made for restoration at that time would have been inadequate then and not viable now. In addition, a stone-by-stone analysis was made during the recent analysis, thus improving the validity of the estimate.

QUESTION: I understand that Ammann and Whitney estimates that restoration in accordance with their plan would cost \$60 million, rather than the \$66 that you estimate. How do you account for this difference? Since Ammann and Whitney prepared the restoration proposal, wouldn't they be in the best position to estimate the costs?

RESPONSE: A difference of 10% in separate construction cost estimates is not unusual; on the contrary, it is predictable. Actual bids received from construction contractors on new work often vary by much greater percentages. The difference is accounted for by the fact that the Ammann and Whitney estimators merely escalated their estimates of 1978 by using cost indices that averaged general costs overall; because the use of average cost indices over a period of 5 or 6 years can be deceptive, our estimators felt that it would be more conservative to escalate the individual line items of which the total estimate is composed. Therefore the 1983 unit costs of the various items and their quantities, as provided in the original cost estimates of 1978, were used to determine today's costs. This method resulted in a 10% higher cost estimate than did the Ammann and Whitney estimator's method, but I submit that our method is therefore closer to the true cost than the lower estimate.

If the Ammann and Whitney estimators were to have used today's actual costs on an item by item basis rather than an average cost increase over a 5 or 6 year period, their total estimate would have been similar to ours.

QUESTION: The Ammann and Whitney report recommends that a contract for restoration work be subdivided into at least 5 separate contracts, with each successive contract awarded as work progresses with more knowledge of actual conditions. Would it be your intent to follow this recommendation if restoration is funded?

RESPONSE: Yes. The preferred contracting method would be to pre-select qualified contractors for the work. If it is determined that the restoration can be performed to best advantage to the government by dividing the work into 5 contracts, then this method will be used.

QUESTION: The Ammann and Whitney reports also expresses concern that only qualified contractors be permitted to bid. How can we assure that the Capitol receives only top quality workmanship, instead of necessarily the lowest bidder?

RESPONSE: The authorization provides that the contracts may be awarded "without regard to Section 3709 of the Revised Statutes" which would give us the prerogative of proceeding in the recommended manner.

QUESTIONS SUBMITTED BY SENATOR HOLLINGS

WEST FRONT OF THE CAPITOL

UTILIZATION OF CAPITOL SPACE

Throughout the consideration of the West Front, there has been a constant demand for information regarding the utilization of space in the Capitol. At a hearing on March 1, 1972, Mr. White said that he had an inventory of rooms, space and allocation, on the House side of the Capitol and was beginning a similar inventory on the Senate side. At a hearing on June 18, 1973, Mr. White said he had not completed an overall plan of space needs but was continually working on it.

In 1977, the Architect was directed to conduct a study of the utilization of space in the Capitol in the same law that provided for the evaluation of the various schemes for the West Front. Curiously, he was able to comply with the latter portions of that section of P.L. 95-94 but has never produced the required study of space in the Capitol.

QUESTION: Before any thought is given to enlarging the Capitol, should not we know what use is being made of the present space?

RESPONSE: Yes. The analysis of space use in the Capitol was completed and submitted to the committee with jurisdiction, namely, the Committee on Rules and Administration, at regular intervals, beginning with the complete survey which I personally conducted in 1972.

QUESTION: Mr. White, in 1972 you told this Subcommittee -- as you are today -- that the West Front could be sufficiently strengthened by either restoration or extension. In 1972, you told us that expansion was necessary to accommodate the additional space requirements of the Congress. Do you still contend that the extension is necessary to meet some requirement of Congress for additional space, and if you do, what specifically are those requirements?

RESPONSE: The extension would provide needed space in the Capitol in close proximity to the legislative chambers and would provide it at very low cost in the form of a dividend resulting from the need to restore the structural integrity of the building. Although the space needs are more apparent on the House side, the history of our nation and the building indicates that it would be prudent to anticipate that the nation's and hence the Congress' needs will increase over the next

50 years. The Capitol was thought to have been completed in 1829 and a similar question regarding needed space was raised in the 1840's before the present House and Senate wings were added. As evidenced by the Senate record for 1879, Senator Morrill points out that the inability of the Congress to agree on these matters caused the devolution of the decision to be made to the President, who then decided upon the architect and the plan.

There are space needs for the Congress that should be provided in the Capitol, such as conference rooms sufficiently large to accommodate meetings of conferees, a reception area for visitors to this greatest of all national monuments, joint committee rooms, public spaces, committee rooms generally, and other needs for space near the legislative chambers including support space. The needs for space over the next 50 to 100 years, although unpredictable with precision, can certainly be anticipated to increase. Space utilization on the House Side of the Capitol is under the direction of the Speaker, and only he can decide what the space assignments should be; on the Senate Side such matters are under the jurisdiction of the Rules Committee.

It is my position that extension is the least risky and only permanent solution to the West Front problem. One never knows what will happen when drilling into the walls, as would have to be done under the restoration plan. The space gained through extension, as a "dividend" for an additional amount of approximately \$4,000,000, is merely another reason for adopting that solution to the problem.

To restore the wall in place will result in costly, continuous maintenance, including painting the wall forever, and the likelihood of future replacement of deteriorated sandstone at very high cost.

QUESTION: Mr. White, did you not assure the AIA Board of Directors in May of 1981 that the Master Plan provides that the future space needs of the Congress can be accommodated, without expansion of the West Front of the Capitol? Why do you now want to create more space in the Capitol if you believe it is unnecessary?

RESPONSE: Yes. It is not a matter of wanting to create more space. It is my objective professional opinion that on balance the greatest cost-benefit that can be achieved from the expenditure of public funds is to restore the structural integrity of the building by extending the West Front of the Capitol and thus gaining the space as a dividend. That is, of course, substantially different from a proposal to simply provide for more space, which I would not advocate if that were the only consideration.

As you will recall, space needs of the Congress in the Capitol itself were explicitly omitted from consideration in the Master Plan. It is true that the Master Plan does identify sites for future development that could accommodate House and Senate needs, other than those in the Capitol, for the foreseeable future.

QUESTION: The Senate has moved the Disbursing Office and Document Rooms out of the Capitol. How much space has that freed for office use; and hasn't the movement of the Document Room significantly reduced the pressures on the wall?

RESPONSE: By moving the Senate Disbursing Office and Document Room from the Capitol, approximately 11,200 square feet of space have been made available for office use. Moving the Senate Document Room stor-

age has had no effect on the overloading on the West Front as it did not at any time adversely affect the loading on the wall.

QUESTION: What effort has the other body made to move nonessential functions out of the Capitol?

RESPONSE: A great deal. Several functions of the Doorkeeper, the House Administration Committee, the Clerk of the House and major portions of the Architect of the Capitol, have been moved to the House Office Buildings.

QUESTION: In our hearings in the early 70's, you testified that the House Appropriations Committee needed space in the Capitol. Is it not a fact, that in the interim, sufficient space has been provided for our counterparts in the Rayburn Building?

RESPONSE: While additional space has been provided for the House Appropriations Committee in the House Office Buildings, at the April 13, 1983 hearing of the Legislative Branch Subcommittee of the House Appropriations Committee, several members expressed their serious objections to the inadequacy of the hearing room assigned to the Subcommittee in the Capitol. In addition, the Capitol space for meetings of the full committee is wholly inadequate.

QUESTION: Is it not correct that the Architect of the Capitol occupies 37,265 square feet of the net assignable space in the Capitol? How does that compare with the amount the Architect occupied ten years ago?

RESPONSE: The Architect of the Capitol currently occupies 16,450 square feet of office space in the Capitol and 16,345 square feet of space is occupied by maintenance shops. This is approximately 1,500 square feet of space less than that occupied ten years ago.

RESTORATION PLANS

QUESTION: Please outline for the Subcommittee the basic difference between the restoration plans of Praeger Kavanagh Waterbury in 1971 and the more recent plans developed by Ammann and Whitney.

RESPONSE: The basic differences are that the Praeger-Kavanagh-Waterbury proposal of 1971 included pressure grouting of the entire West Central Wall of the building; the Ammann and Whitney proposal recommends grouting of the foundation walls only and the consolidation of the wall by means of the insertion of grouted reinforcing rods in drilled holes at particular locations without pressure grouting of the wall itself. The Ammann and Whitney proposal is based on a stone-by-stone detailed examination of the entire wall area and is thus a more credible estimate of the extent of the work involved than the Praeger-Kavanagh-Waterbury proposal, which was based on a relatively superficial examination of the total wall. Another major difference between the two is that the Praeger-Kavanagh-Waterbury proposal was based on preliminary drawings and specifications whereas the Ammann and Whitney proposal is based on detailed working drawings and specifications;

thus, the Ammann and Whitney proposal is a result of a more intensified and in-depth investigation than was the Praeger-Kavanagh-Waterbury proposal.

QUESTION: How much does the change in the plans account for the approximate \$50,000,000 increase in the cost of restoration?

RESPONSE: Some of the cost difference is a result of a difference in proposals, but the primary increase in cost results from the massive increase in construction costs that has been experienced in the last twelve years.

The restoration consultant, in their March 1978 report, re-estimated the previous proposal to provide an accurate cost comparison with their recommended scheme. The construction costs in March, 1978 on a strictly comparable basis and without all subsequent costs being included, are indicated below.

Praeger-Kavanagh-Waterbury Scheme 1-----	\$ 29,807,451
Praeger-Kavanagh-Waterbury Scheme 2-----	\$ 30,533,016
Ammann and Whitney-----	\$ 32,376,389

The recommended design provided by Ammann and Whitney, which is a more detailed study of the West Front's needs, is, on that basis, less than 8% higher than the lowest Praeger-Kavanagh-Waterbury design.

QUESTION: Mr. White, is it not a tragedy that we didn't restore the wall for \$15,000,000 or \$20,000,000 ten years ago, instead of stalling this project so that it now costs at least \$66,000,000?

RESPONSE: The estimate referred to was for a restoration proposal that would not have restored the West Front in a sufficient condition to achieve restoration goals. It is indeed unfortunate that the ensuing inflation has caused costs to rise for all construction.

QUESTION: Am I correct that the restoration plans you now present provide for replacement of the sandstone with limestone?

RESPONSE: The Ammann and Whitney restoration report recommends that sandstone that may require replacing be replaced with limestone.

QUESTION: What happened to the sandstone from the East Front that was to be retained for the West Front?

RESPONSE: It is still in exterior storage where it has been for almost twenty-five years. It has been determined that it would not only be less costly to use new limestone than to doubly transport and recut the old sandstone, but it would also offer less opportunity for future deterioration of the wall as will continue to occur with the existing sandstone that will remain in the wall. It should be recognized that even the restored wall will necessitate costly and continual maintenance of the sandstone by replacement and by painting for the foreseeable future.

BASIS FOR EXTENSION

QUESTION: Mr. White, you state that your mini-extension is now a historic preservation project that completes some earlier plans for the Capitol. When did you decide to become a disciple of Thomas U. Walter, as you certainly showed him no such respect 10 years ago when you were trying to tear down the terraces to accommodate an extension that would protrude 88 feet in places?

RESPONSE: The proposal for extension that was made ten years ago was the same as that made in the late 1960's by my predecessor and which I then modified after a careful examination of the history of proposals for extension of the West Front dating back to 1865 and a recognition of the fact that the structural needs of the wall could be met without disturbing the historic Olmsted terraces. It appeared to me that an objective, responsible professional judgment included the ability to form new and more valid opinions when new and previously unknown facts became available. To do otherwise would be to distort the truth for the sake of defending an established but invalid opinion.

QUESTION: On page 3 of the justifications for the Extension to the West Front, it is stated that "the configuration of the terrace walls were specifically designed by Frederick Law Olmsted in 1892 to receive an addition to the West as contemplated by Mr. Walter in order to complete the overall design of the Capitol."

Are you familiar with the report by William C. Allen for the American Institute of Architects in April 1979 and its conclusion that "extension of the West Front to the lines of the terraces would conflict with Olmsted's design intent"?

RESPONSE: Yes; however, a report written by a distinguished scholar, Dr. Anne-Imelda Radice, an employee of our office, the information for which was gathered simultaneously with that of Mr. Allen, comes to exactly the opposite conclusion. In my judgment, Dr. Radice's report has greater validity than that of Mr. Allen, and I submit it for the record and the Committee's review.

EXTENSION ESTIMATE

QUESTION: Since the Commission on the West Front made no formal recommendations, why did you submit a supplemental budget estimate for funds to extend the West Front?

RESPONSE: I was directed to do so by the House Subcommittee on Legislative Branch Appropriations.

QUESTION: What are the details of the summary cost estimate of \$73,000,000 on page 9 of the supplemental justification? Particularly, what is included in the basic amount of \$34,441,947 for construction of the extension?

RESPONSE: The detailed cost estimates are submitted herewith.

RESTORATION OF THE WEST CENTRAL FACADE OF THE UNITED STATES CAPITOL

BASIC DESIGN

Ammann & Whitney's Report of March 1978 (Page 125) including Contractor's OH & P, additional investigation (Ammann & Whitney's letter of February 7, 1979) and Replacement of Terrace Pavers has been updated to January 1, 1983 (Unit costs have been adjusted as near as possible to the current probable cost of these items.)

Mobilization - On Site-----	\$1,910,576
Mobilization - Ramps & Cranes-----	3,301,780
Miscellaneous Shoring-----	463,120
Remove Existing Shoring-----	8,804
Screen Walls - Dismantle-----	26,719
Screen Walls - Trim, Clean, Treat-----	15,995
Screen Walls - Rebuild-----	201,813
Point Foundation Walls-----	9,859
Old Terrace Walls - Excavation-----	33,196
Old Terrace Walls - Dismantle-----	92,694
Old Terrace Walls - Concrete Footing-----	13,870
Old Terrace Walls - Rebuild-----	121,251
Old Terrace Walls - Backfill-----	10,667
Old Terrace Walls - New Pavement-----	13,003
Old Terrace Walls - Clean & Treat-----	8,436
Scaffolding-----	599,989
Paint Removal - Flat Work-----	210,661
Paint Removal - Carved Work-----	111,717
Inspection & Measurement-----	1,493,988
Grouting - Foundation Walls-----	597,235
Reinforce Walls - Corners-----	107,967
Reinforce Walls - Pilasters & Arches-----	419,416
Repair and Replace Stone Balusters (Building)-----	392,529
Repair and Replace Stone - Balusters (Terrace)-----	2,669,435
Repair and Replace Stone - Entablature-----	1,384,125
Repair and Replace Stone - Carved Work-----	506,683
Repair and Replace Stone - Face Stone-----	3,215,153
Repair Lintels - Keystones-----	25,799
Repair Lintels - Lintels-----	100,157
Repair Portico - Entablature-----	631,911
Repair Roof-----	210,776
Stone Preservative-----	109,323
Paint Stone (2 Coats)-----	49,541
Cap Flashing-----	14,134
Remove & Replace Windows-----	145,304
Bird Protection-----	26,796
Miscellaneous Painting-----	129,950
Testing-----	41,049
Miscellaneous Repairs-----	205,249
Cleanup-----	68,416
Delays Due to Work Restrictions-----	684,165
Exterior Wall Weep Holes-----	67,163
Relocate Utilities-----	68,416
Basic Construction Cost (Unit Costs Adjusted to January 1983)-----	\$20,518,830
Additional Investigation Escalated to January 1, 1983 (13 Months @ 10% Per Year)-----	96,422

Replacement of Terrace Pavers Escalated to January 1, 1983 (13 Months @ 10% Per Year)-----	1,038,477
Adjusted Construction Cost-----	\$21,653,729
Contractor's Overhead - 10%-----	2,165,373
Contractor's Profit - 20%-----	4,763,820
General Contractor's Overhead - 5%-----	1,429,146
General Contractor's Profit - 5%-----	1,500,603
Subtotal-----	\$31,512,671
Escalation (From January 1, 1983 to Midpoint of Construc- tion - ~~March 1, 1986~~ -10% Per Year Compounded-----	11,126,955
Subtotal-----	\$42,639,626
Contingency-----35%-----	14,923,869
Subtotal-----	\$57,563,495
Professional Services and Management - 15%-----	8,634,524
Total Estimated Cost - Restoration-----	\$66,198,019
Say -----	\$66,000,000

QUESTION: Does the construction estimate include finishing the interior of the Extension? If so, in what way will it be finished off since there is no plan for the use of the space?

RESPONSE: The estimate for finishing the new interior space is provided under the extension cost. It is known that some of the space will be used for public purposes. That space reserved for office and support use will be finished in a similar manner to other office space in the Capitol.

Although no plan has been approved for the use of the space, suggested partitioning, door openings and finishes comparable to those utilized on the East Front extension were used for cost estimating purposes. More than adequate interior partitioning was used in order that the cost estimate would properly reflect the maximum possible costs that might be incurred.

QUESTION: What is the basis of the add-ons to the basic amount that requires more than the cost of construction? For instance, Escalation is figured on 10% of something that amounts to \$13,750,000, but the next item -- Contractors OH&P -- is determined on the basis of 20% of something and amounts to only \$9,628,500. How does a 20% add-on amount to less than a 10% add-on?

RESPONSE: The escalation figure referred to is a 10% per year compounded figure. Thus, \$34,441,947 escalated at 10% compounded for three years and three months yields the total escalation figure of \$13,750,000. The other add-ons are a straight percentage based on a one-time factor rate.

QUESTION: Does the estimate provide for furniture and furnishings?

RESPONSE: The estimate does not include the cost for furniture and furnishings. This cost will be determined when the use of the space is decided.

SUPPORT FOR RESTORATION

QUESTION: Mr. White, you were a former vice president of the American Institute of Architects. What do you think of the qualifications of I. M. Pei as an architect?

RESPONSE: He is as talented and highly qualified an architect as exists today.

QUESTION: What do you think of the architectural qualifications of Robert Broshar, the President of the American Institute of Architects, or Robert Lawrence, the past president of the AIA, who have steadfastly supported restoration of the West Front?

RESPONSE: They are both excellent architects.

QUESTION: Mr. White, what do you think of the qualifications of Frederick Nichols, who testified for the AIA at the hearing of the House Public Works and Transportation on March 16th, and John McGinty, who testified for the AIA before our counterparts on April 13th? Was not Mr. McGinty, the chairman of the recent AIA Task Force on the West Front, and Mr. Nichols and I. M. Pei members of that Task Force that, after reviewing your mini-extension scheme, unanimously recommended that the AIA remain steadfast for restoration? Did not our fellow members of the AIA pass without objection the motion supporting the Ammann & Whitney report on June 20, 1979?

RESPONSE: They are both excellent architects also. Yes. Yes.

QUESTION: Mr. White, what was your position on the West Front when you were with the AIA?

RESPONSE: I supported the traditional position of the Institute out of loyalty to my colleagues and without knowing many, if any, of the facts, as is the case with most architects; it was not until after I was appointed as Architect of the Capitol that I became aware that it was my professional duty to advise the Congress with as objective, responsible and honest a view as I could achieve rather than simply to repeat an advocacy view without personal knowledge. Because I held the same earlier position, as did the Institute, with regard to the East Front, again without sufficient knowledge of the facts and because that extension, completed in 1962, appeared to have enhanced rather than to have adversely affected the Capitol, it also seemed to me that the fear that modifications to the Capitol would somehow adversely affect the basic preservation movement that is otherwise so vital to our architectural heritage was ill-founded.

QUESTION: Mr. White, I have also heard from many architects of lesser reknown, but all of them equally supportive of restoring the West Front. Why is it that there is no call from architects for extension scheme?

RESPONSE: Architects, by their nature and their training in architectural history, are inherently strong supporters of historic preservation. Thus, asked their preference, without detailed information concerning a given structure, they would support that degree of preservation that least changes the materials of that structure. There is no question in my mind that, when retained by a client for their professional services, as I am employed by the Congress, most if not all architects would deem it their solemn professional responsibility to learn all of the facts before advising their client, as I have done, and after carefully weighing all of the facts, to adopt the most appropriate means of preservation of that structure, which in this case is extension.

Other distinguished architects, including two recent former Presidents of the AIA are in strong support of the extension proposal, which is, incidentally, not "my" proposal, but rather a proposal that has existed in one form or another since 1865 and has been endorsed by numerous Congressional entities; the Congress commissioned the sculpting of the bronze doors that were cast in 1911 for the West Front and which have long been on display on the House Side in the East Front of the Capitol. The two AIA presidents mentioned above are Mr. Elmer Botsai, FAIA, whose written support is submitted for the record herewith, and Mr. Ehrman Mitchell, FAIA, whose partner is a Gold Medalist of the Institute and whose recent testimony before the House Subcommittee on Legislative Branch Appropriations is in the transcript of that hearing. In addition, other letters of support by other distinguished architects are submitted herewith. Many other renowned architects such as Wilford Gregson, Ralph Walker, FAIA, AIA Centennial Gold Medal winner, Lorimer Rich, FAIA, architect of the Tomb of the Unknown Soldier, Douglas Haskell, FAIA, Editor of Architectural Forum, Rex Whitaker Allen, FAIA, President of the AIA in 1971, John Harbison; Paul Thiry, Jean Paul Carlhian, Nathaniel Owings, the current AIA Gold Medalist, as well as many lesser known, have all expressed their support for extension. Others such as Gilmore Clarke, Hon. AIA and former chairman of the Commission on Fine Arts, and, of course, many Professional Engineers and the National Society of Professional Engineers itself have supported the extension proposal.

LETTER FROM ELMER E. BOTSAL, FAIA, HONOLULU, HAWAII

March 28, 1983

The Honorable Vic Fazio
Chairman, Legis. Branch Sub Committees
House Appropriations Committee
United States House of Representatives
Washington, D.C. 20515

SUBJECT: United States Capitol
RE: West Front

Dear Congressman Fazio:

I would like to thank you for your invitation to testify in referenced issue, but distance and time constraints indicate that a written presentation would be more appropriate.

As a past (1978) national President of the American Institute of Architects and former board member (1972-78), I have had several opportunities to review both the preservation and extension arguments in some detail. I am also well versed in the AIA position. This issue is, to my mind, of considerable importance to our country and the image we present to ourselves and to the world. As such, it is something to which I have given much thought. Accordingly, I would like to call your attention to the following considerations:

1. It is undoubtedly more cost effective to extend the West Front. While not a major consideration, we should concern ourselves with economics.
2. In my professional judgement, the extension will provide a more stable structure particularly under lateral force loads. In point of fact, I have some reservations with the long term performance of certain remedial steps in the last preservation scheme I saw.
3. There is no question that the extension will change the appearance of the building. It is a moot point whether the change is or is not in keeping with what the original designers had in mind. It will be a change from the status quo and most people don't like change.
4. It is my personal opinion that the design of the building will be improved with the extension of the West Front. The building will have more balance and the foreshortening of the dome will be an improvement.
5. The above items are legitimate areas of issue, but to my mind they are secondary. There are two issues I find critical to my recommendations. They are:
 - a. We have an Architect of the Capitol--George M. White. He is a highly competent Architect who has assembled an outstanding staff. I have no objections to second opinions, and if this issue were one of appearance only, I would say take a vote and be done with it. However, that is not the case. Instead, we have an Architect of the Capitol with an outstanding record of achievement in his superlative handling of the restorations and modifications of the Capi-

tol to date. He has shown a remarkable sensitivity to this most important symbol of our nation. Therefore, it is difficult for me to understand Congress' reluctance to accept his most careful analysis and judgement in this issue. He is indeed our Architect of the Capitol, and I have seen nothing that can possibly offset his reasoned judgement.

- b. Finally and most importantly, the Capitol is a major symbol for our country. Throughout its history it has constantly evolved to meet the changing, growing needs of our country. Furthermore, I suspect that this will not be the last proposed change to this symbol as I am sure our needs will constantly change in the coming centuries. The question before the "House" is, what is this symbol of our country to present? A nation that has gone stagnant and looks only backward to past glories or a nation that respects the past (the proposed extension certainly respects the past) but is not bound by past constraints and is vibrant, alive, looking forward to the future and the challenges of that future.

I have made my personal decision. I strongly believe in the future of this country. We are not "the last best hope for the future", we are "the best possible hope for the future." I would like my Capitol to be alive, vibrant and looking to the future of this great nation.

Accordingly, I respectfully, but strongly, recommend that you and your committee endorse the West Front extension.

Respectfully



Elmer E. Botsai, FAIA

LETTER FROM ROBERT S. STURGIS, FAIA, CAMBRIDGE, MASS.

8 April 1982

The Honorable George Bush
Vice President of the United States
Washington, D.C. 20510

Dear Vice President Bush:

Two months ago you received a letter from the President of the American Institute of Architects opposing the extension of the West Front of the Capitol. This is to let you know that there is some respectful -- and respectable -- disagreement within the A.I.A. on its traditional stand.

My own position is described in the attached statement of just nine years ago. I find no reason to change it substantially today, including the recommendation that the A.I.A. be closely involved in the process of arriving at a new design.

The A.I.A.'s position, I believe, is primarily symbolic, making the point that preservation of historic buildings should be a matter of national policy, of which the Capitol should be the preeminent symbol. In 1937 the issue was probably philosophical, tradition vs. the modern challenge. In 1970, historic preservation had yet to establish a national consensus. In 1982, my feeling is that we are beyond that; respect for designers of the past is established and there is the ability, of some at least, to distinguish between the lesser and the greater designs of the past.

Therefore, we are ready to judge the matter of the West Front extension as a question of design rather than of preservation for its own sake. (It could be mentioned here that the A.I.A.'s claim of "continuity" on behalf of the Bulfinch front is empty since the scale of the Thornton dome and the present wings show no respect at all for the delicacy of the Bulfinch design.)

In short, I accept the arguments in favor of the West Front extension, but urge participation by the A.I.A. in its design.

Sincerely,

Robert S. Sturgis

Robert S. Sturgis, FAIA

(Former president of the Boston Society of Architects and former chairman of the A.I.A. Urban Planning and Design Committee.)

Concerning Extension of the West Front of the Capitol

We must not only know and preserve our history : we must make history.

Many principles of good architectural design are timeless, but architecture is for the living and not for the dead.

With respect to the Capitol West Front (or any future changes) :

It appears that there is a legitimate need to house, within the building, activities which can take place nowhere else, namely, spaces essential to the functioning of the Congress and spaces to accommodate visitors to this pre-eminent symbol of our political system.

Although not entirely relevant, the structural soundness of the present West Front appears to be questionable.

In my own opinion, the present West Front is poorly designed for its present setting.

The heart of the facade, the Bulfinch front, is not compatible with the Thornton dome nor with the wings. It is too delicate for these later additions and also, I think, too delicate for the massive axis of the Mall which it terminates.

The Olmsted terraces have been fine, but a worthy replacement is not beyond the capabilities of the present design professions.

I am concerned about the quality of the design, however. I hope that the AIA's opposition to the extension will not exclude it from being consulted on how the extension is to be done.

I suggest the AIA be asked to nominate five members for a ten-person architect selection committee. I recommend that the architect selected have the sole responsibility for proposing a design to the Extension Commission, who will make the final decisions, guided by such advisers as they may choose.

LETTER FROM GEORGE C. HOAGLAND, AIA, SCOTTSDALE, ARIZ.

June 14, 1982

Mr. George White, FAIA
Architect of the Capitol
Washington, D.C. 20515

Dear Mr. White:

Enclosed is a copy of a letter which I have mailed to each of the members of the Commission on the West Front of the U.S. Capitol regarding their upcoming decision on a design strategy to repair the severely damaged West Front.

I have taken a position in opposition to that of the American Institute of Architects regarding this subject since making a recent trip to the Capital and feel very strongly that it should be heard by the commission before they make their decision.

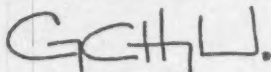
Several respondents from the commission and the Arizona delegation indicated they had forwarded copies to you, so I thought I would contact you directly with my views.

As you will see my position parallels yours on all the major points, although I arrived at it from a slightly different direction.

I am strongly committed to my views on this subject, as I am sure you are, and would welcome the opportunity to help in any way to bring them to the attention of the commission.

Sincerely yours,

GCH ARCHITECTURE PLANNING

A stylized handwritten signature in dark ink, appearing to read 'GCHW.' with a horizontal line extending from the 'W'.

George C. Hoagland, AIA

LETTER FROM GEORGE C. HOAGLAND, AIA, SCOTTSDALE, ARIZ.

April 27, 1982

Vice President George Bush
United States Senate
Washington, D.C. 20510

Dear Mr. Vice President:

As an American Institute of Architects Legislative Minuteman, I have been asked to write you in support of the AIA's position favoring in-situ restoration of the West Front of the U.S. Capitol.

The AIA has long held the policy position that only by restoring the West Front as it was originally designed and constructed can the architectural integrity of this most famous national symbol be preserved. This restoration would protect the last exposed original wall of the Capitol and leave unimpaired the most outstanding example of architecture in our nation's capital, if not our nation. Also, it should be clear that by extending the West Front for additional office space, thereby changing significantly the appearance of the building and scale of the dome, the costs would be substantially higher than simple restoration. Extension of the West Front would also run contrary to the public outcry against building costly new congressional office space at this time. The fact that the new offices would be constructed at the expense of the appearance of the Capitol's West Front is also hard to understand from a budgetary, political, and architectural point of view.

I have always supported the concept of restoration and maintenance of significant architectural landmarks in order to preserve them as an important part of our cultural heritage, and I have supported the AIA's position relative to the U.S. Capitol in the past, at least passively, for the same reason. However, I recently walked the mall area with my son for the first time and as a result of explaining the historic and cultural/political context of the various structures and monuments to him, came to see the U.S. Capitol, as a specific issue, in a new light.

Of all the structures on the mall, the U.S. Capitol is the visible seat of Legislative action and is most representative of current political though for a changing society. As such, it cannot remain static as a museum of the past, but must reflect current needs and remain flexible to future change.

It must symbolize currency, flexibility and inevitable change just as forthrightly as other structures and monuments, because of their static relationship to time and events, proclaim their stability.

Expanding further on this concept I would like to offer the following points for your consideration:

1. The U.S. Capitol at the present time is a composite of old and new construction, dating from the original structure and dome, woven into an intricate relationship of historic preservation and current use. Because of this relationship, a dynamic symbiosis is established between the past and the present to such a dramatic degree that passing through the halls and reflecting on those who passed through before can be a moving experience.
2. As the U.S. Capitol and surrounding grounds change to meet new needs significant elements of the historic structure, specifically the West Front, could be encapsulated within the new structure, in much the same way that the original House and Senate Chambers are enclosed by the new, so as to perpetuate and reinforce this symbiosis. The West Front could reside in a great hall, affording visual access to it on various levels and a sheltered environment where deterioration from the elements would no longer be a factor.
3. The compositional relationship of any new structural massing to the dome and other significant elements of the existing facade and the Olmstead Terrace is perhaps the most important issue relating to the expansion and visual integrity of the Capitol and the mall as a whole. The AIA's position that expansion would destroy the articulation of the massing is, in my opinion, a false one, based perhaps upon their response to the previous design studies which I, too, find lacking in composition and sensitivity. However, an appropriate compositional response to this design challenge can be rendered, and extreme care in the selection of an Architect will insure its success. A national design competition could yield a rich resource of solutions to choose from and insure a highly competitive and serious effort.
4. The Architectural integrity of the structure as a whole will be enhanced by expansion because the balance of its exterior can be sheathed in a marble skin to match previous additions. The AIA's position that the continuous deterioration of the Aquia Creek Stone facing presently in place is a technical problem is, in my opinion, a compromise of principle. The stone used is, and was then, inappropriate as an exterior sheathing material and should not be painted with state-of-the-art coatings to make it something it isn't. Rather, I feel that the existing paint should be removed to allow the stone to be viewed in its original state, but now as an interior material, protected from the elements.

As a result of my feelings on this subject, as reinforced by the preceding points, instead of supporting the AIA's position I must oppose it. I do so because of the strength of my convictions and my sincere desire to see the U.S. Capitol be the truest expression of its symbolic role in our society. I would welcome the opportunity to respond further on any point of question you might have.

Sincerely yours,

GCH ARCHITECTURE PLANNING

George C. Hoagland, AIA

GCH/cac

LETTER FROM CRAIG W. PARKHILL, AIA, WESTERN RESERVE UNIVERSITY

8 February 1982

George M. White, FAIA
Architect of the Capitol
Washington, D.C. 20515

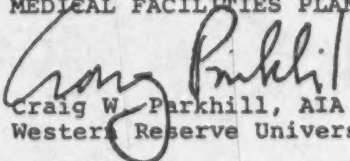
Dear Mr. White:

Thank you for your letter dated 1 February 1982. Upon reading the enclosed information as well as doing other research on this issue, I agree with your position concerning the West Central Front of the Capitol.

One statement does not seem to be very convincing, however. The fact that "millions of people do not know that the East Front has been extended" does not justify anything. Maybe an extension ought to be a separate statement.

In any case I do now support the extension of the West Front.

Yours truly,
MEDICAL FACILITIES PLANNING ASSOCIATES, INC.


Craig W. Parkhill, AIA
Western Reserve University, 1963

QUESTION: Mr. White, you had the opportunity to present your mini-extension to the Commission on the West Front. Is it not true that the Vice President, the Majority Leader of the Senate, and the Minority Leader of the House voted for restoration?

RESPONSE: I believe we should note for the record that all prior commissions have voted unanimously in support of extension; the membership of which have included such illustrious members as the Honorable Hubert Humphrey, Everett Dirksen, Walter Mondale, Hugh Scott, Mike Mansfield, Carl Albert, John McCormack, Gerald Ford, Hale Boggs, and John Rhodes.

The Commission on the West Central Front met on March 15, 1983, and issued a unanimous and strong recommendation that the West Central Front project should move forward in a timely manner in order to ensure a structurally sound and physically attractive solution to this longstanding problem.

No formal vote was taken; it is my understanding that the Vice President, the Majority Leader of the Senate, and the Minority Leader of the House expressed a preference for restoration. However, the Commission took no position on the question of whether to preserve the West Front by extension or restoration. Since the Commission was unable to reach a unanimous decision on which solution to recommend, the matter was referred to the House and Senate Committees on Appropriations for resolution.

QUESTION: Mr. White, I can fill a volume of our hearing record with editorials, commentaries, and other writings in support of restoring the West Front. What newspaper or columnist has come out in support of your extension scheme?

RESPONSE: The Washington Star, prior to its demise, was a strong supporter of extension. Reprints of articles are available for the record.

ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD

LIBRARY OF CONGRESS RENOVATION

QUESTION: Please describe the general scope of modifications to the Jefferson and Adams Buildings. How much of each building will receive major renovation work?

RESPONSE: The scope of modifications to the Jefferson and Adams Buildings includes needed fire and life safety improvements, replacing and upgrading the mechanical, electrical and plumbing systems, providing modernized staff and scholar's research space to effectively use the Library's many resources, increase the buildings' accessibility to the handicapped and to restore the highly decorated architectural surfaces in the buildings. Both buildings will be renovated completely.

QUESTION: In general terms, how much of the repair costs are for staff areas which will be closed to the public, and how much for proposed reading rooms and other public areas?

RESPONSE: In general terms, most of the renovation cost for the Jefferson Building will provide modernized space and facilities for public use. The Adams Building will be used for staff, although there will be some space used for public reading rooms in that building.

QUESTION: How much of the proposed cost is for life safety improvements, such as fire protection? How much for routine mechanical and electrical improvements? What needs to be done in these areas?

RESPONSE: Of the \$72,270,000 requested for renovating the two Library of Congress buildings, the cost can be broken down by category as follows.

Architectural/Structural-----	\$29,880,000
Mechanical/Electrical-----	23,330,000
Fire Protection-----	8,280,000
Restoration-----	<u>10,780,000</u>
Total-----	<u>\$72,270,000</u>

QUESTION: How much vacated floorspace will be unusable until these renovations can be performed? Has this created a staff overcrowding problem, or has the Madison Building prevented overcrowding? When these vacated areas of the two older buildings are once again occupied, will the Library be able to further consolidate personnel from some of the outlying facilities?

RESPONSE: The proposed renovation program will be performed in two phases, half of each building at a time. There may be temporary crowded conditions for some staff at times during the renovation process, but every effort has been made during the planning process to assure that staff and the public will be able to use the Library while

construction takes place. At the present time, no further staff moves from outlying facilities are contemplated.

QUESTION: We have been deeply troubled by the cost overruns in construction of the Hart Building. How confident are you of these estimates? How were the add on figures representing various options of subcontracting or obtaining a prime contractor arrived at?

RESPONSE: The so-called "cost overruns" in the construction of the Hart Building are in reality not "cost overruns" at all; as the record clearly shows, the final cost of the programmed construction was at least \$5 million less than the total amount appropriated. The debate in the Senate regarding the proposal to return those funds to the treasury is stark evidence of that fact. It should further be recognized that the original estimates for the Hart project were requested and prepared without drawings, without a program and even without a final site for the location of the building. Thus, although it is true that the original amount appropriated was only \$48 million, it had no relationship to a valid cost for the building and was appropriated in order to get the project started. In addition, the years during which the design was being finalized witnessed the most rapid and extensive escalation in costs that the nation had ever known.

In total contrast with that situation, the Library of Congress estimates are based on a program developed over several years that was itself based on a feasibility study made in 1977. That program has been translated into approved detailed working drawings and specifications funded by the Congress specifically in order to achieve credible cost estimates. In addition, the Library of Congress and the Architect's office have cooperated and worked very closely together to establish workable logistical procedures and valid interpretations of Library needs in order to avoid costly misunderstandings. Further, the House Subcommittee on Legislative Branch Appropriations directed us to include in the costs all foreseeable construction items such as long-term maintenance, past maintenance needs that had not been funded, other capital improvement proposals and so forth, in order that the full picture of Library of Congress total foreseeable needs would be known. I am thus confident that the estimates that are now presented are credible and valid. Our methods and procedures have also been informally examined by the General Accounting Office in order to be certain that the applied expertise and quality were adequate.

QUESTION: If the Congress wants to move ahead with this project, but prefers to provide funds over the life of restoration, rather than in a lump sum, what timetable for appropriations would make sense?

RESPONSE: The obligations summary below indicates the funding needs for each fiscal year, assuming the project is approved in the fiscal year 1983 Supplemental and the construction is performed by in-house forces.

<u>Fiscal Year</u>	<u>Appropriation Required</u>
1983-----	\$ 500,000
1984-----	18,055,000
1985-----	21,666,000
1986-----	17,555,000
1987-----	10,833,000
1988-----	3,661,000
Total-----	<u>\$72,270,000</u>

QUESTION: In the Library's budget is \$7.7 million for furniture and furnishings for the renovated areas. When would these items first be required? Could we not postpone this acquisition?

RESPONSE: An amount of \$650,000 will be required in fiscal year 1984 for the main card catalog in the Jefferson Building. The balance of the funds will be requested over the next several years. These funds will be requested by the Library of Congress.

QUESTION: If Congress determines to fund the project making maximum use of Architect of the Capitol resources, how would your office organize and staff this project?

RESPONSE: The construction management would be performed by existing permanent staff and temporary staff now working on the Hart Building project. The Construction Management Division would oversee the construction work just as they have managed the latter stages of the Hart Building. For the skilled trades and crafts personnel, the forces needed would be hired on a temporary basis from union halls. The restoration work would be performed by skilled artisans, and the intent is to follow the consultant's recommendations for suitable resources.

QUESTION: What special efforts can be taken to assure the highest quality control?

RESPONSE: The current installation of bookstack sprinklers in the Jefferson and Adams buildings is an example of the type of effort that will be made to assure quality control. The planning process before construction began identified concerns that both Library and construction staff had, and approaches were developed to avoid problems. Now that construction is underway, weekly progress meetings are held to monitor the work.

The Construction Management Division will inspect all work performed by in-house personnel to assure that it meets the required specifications. Work that is not satisfactory will be corrected. This relationship between in-house staff has worked well in completing the Hart Building.

QUESTION: If Congress determines to fund the project through either the use of subcontractors or a general contractor, should bidding be open to anyone, or should Congress attempt to limit bidding to proven contractors with excellent reputations and experience in restoration work?

RESPONSE: The most sensitive work on the Library project is the restoration of art work, and this portion should be performed only by qualified personnel. The balance of the project could be bid on the open market but through selected bidders. To do otherwise for general restoration work, particularly in an occupied building, would be to invite the possibility of substantial cost increases.

QUESTION: The estimates included occupancy schedules. Is any renovation necessary to the interim space? What use is made now of the interim space, and what use is projected after restoration?

RESPONSE: There is now a certain amount of unoccupied space in the Jefferson Building that has been left vacant in anticipation of construction. Some of this space will require partitioning, electrical and phone service modifications, and some heating and cooling capacity. In addition, space will be temporarily renovated for office use in the Adams Building. As construction is completed and new space is occupied, the interim space will be vacated and renovated in turn. Following restoration, both buildings will be fully occupied.

QUESTION: How long after the project is funded can bids be solicited?

RESPONSE: It will take three to six months after funding to solicit bids. If the project is funded in the fiscal year 1983 supplemental, bids can be solicited by January 1984. This is the current planning schedule. If funding is delayed, then the schedule would have to be revised.

COSTS

QUESTION: Who prepared the cost estimates for the Jefferson and Adams renovation project? When were they prepared?

RESPONSE: The estimates were prepared by Robert G. Scharf and Associates, Inc., who were retained by the project's associate architects, Arthur Cotton Moore/Associates.

The estimates are being prepared in stages to correspond to the drawing and specifications development. Current estimates were prepared in January and February of 1983, and final estimates, based on completed drawings and specifications, will be prepared in July 1983.

QUESTION: Did the estimator inspect the site in preparing the estimates or simply work from drawings?

RESPONSE: Extensive on-site investigation reports as well as access to the associate architect's staff were available.

Arthur Cotton Moore/Associates' engineers (structural, mechanical, etc.) and the estimator have inspected most of both buildings to determine the routings of pipes and the options available. As a result, Arthur Cotton Moore/Associates has an excellent idea of where work can be placed, conflicts possible and workaround options and how and where to penetrate the surface finishes.

QUESTION: What markups are included in each estimate for risk, contingencies, overhead, and profit?

RESPONSE: The following factors were used.

Risk-----reflected in the unit costs on the basis of Scharf's judgement.

Contingency----15% used in each Method.

Overhead-----10% used in each Method for general contractors and subcontractors as applicable.

Profit-----10% used in each Method for general contractors and subcontractors as applicable.

In addition, a straight 10% was added to each Method for the AOC's Construction Management Division (CMD) costs. Further, the raw costs were escalated 8% per annum to the start of construction in October 1983 and then 10% per annum to the mid-point of each construction phase.

QUESTION: What rate of inflation was used in preparing the estimates? What was the basis for inflation rate?

RESPONSE: An 8% per annum rate, based on Engineering News Record figures, was used to normalize costs to the October 1983 construction start. To provide for inflation during construction, a further 10% per annum to the midpoint of each phase was added.

This method was used for both the estimates prepared by Robert G. Scharf Associates and the estimates prepared by in-house staff.

QUESTION: Are all applicable Architect of the Capitol costs included in the cost estimates?

RESPONSE: All Architect of the Capitol costs are not included in the project estimate. Certain costs, which a contractor would include for home office overhead, are not allocated to the project. Otherwise, the 20% added to each estimate for CMD and general requirements cover all other general condition and overhead items a contractor would incur.

QUESTION: What is the source of the fire protection cost estimates?

RESPONSE: Arthur Cotton Moore/Associates' fire protection consultant designed the work and the estimate is included in the total project cost. The fire protection system includes a complete building alarm system, compartmentalization, and sprinklers.

This fire protection program was prepared by reviewing a previous study performed by another firm, Firepro, and by performing on-site surveys.

QUESTION: How were the cost estimates for the three methods reached?

RESPONSE: There are three methods available for performing the restoration project.

The first, Method A, assumes that the Architect of the Capitol will perform all construction by hiring temporary personnel to do the work. Method B assumes that most of the work will be subcontracted, with the Architect of the Capitol acting as a general contractor and construction manager. Method C has been calculated on the basis of having most of the work performed under one general contractor, with the Architect of the Capitol retaining construction management functions.

The overhead and profit markups for general contractors and subcontractors constitute all of the cost differential and also account for the uniformity of the spread of the estimates. These markups were:

Method A----Raw unit costs

Method B----Raw unit costs plus 10% for subcontractors overhead and profit respectively.

Method C----Raw unit costs plus 10% each for subcontractor and general contractor overhead and profit respectively.

QUESTION: Are moving costs budgeted for in the renovation? How much will this be?

RESPONSE: The estimated moving cost will be borne by the Library of Congress and is approximately \$341,000. These funds will be requested by the Library, along with the furniture and furnishings funding.

ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD

MASTER PLAN

QUESTION: Are there any funds in this budget for carrying out the Master Plan?

RESPONSE: No.

SALARIES

QUESTION: You have requested authority for 8 new positions under the appropriation "Salaries, Office of the Architect". What would be the impact on services to the Congress if these positions were denied?

RESPONSE: Denial of the positions will directly impair the level of maintenance that can be provided on major engineering systems affecting the Legislative group of buildings, as well as limit the ability of the Architect's Office to account for and control material and labor resources committed to construction projects and implement computer systems chiefly in the areas of payroll and personnel management. Specific areas affected by denial of these positions include:

1. HVAC Systems. Engineering improvements to the design of heating and air conditioning systems will be postponed with the effect of increasing energy consumption unnecessarily and slowing progress on upgrading HVAC operations.
2. Electronics Systems. Four of the eight positions are being requested to maintain electronics systems that have been approved and will be in operation in fiscal year 1984. One position is needed because of the additional surveillance and intrusion detection devices in the Hart Senate Office Building. The other three positions are requested for the maintenance of the Cable Distribution System, particularly to monitor overall system operations and maintain equipment for recording and playing back tapes and for receiving satellite signals.
3. Accounting Controls. Two positions are requested to improve accounting controls over materials and labor charged to construction projects and over related activities of the office funded from appropriations. Denial of these positions will not only result in diminished accountability but will postpone implementation of our program for computerized storeroom inventories under the Architect's jurisdiction.
4. Data Processing. One programmer position is requested to service the increasing workloads in the area of payroll operations and related administrative programs (e.g. labor distribution and personnel management). These areas require an increasing level of maintenance support as a result of statutory changes in recent years (such as those governing employee benefits), as well as changes in Treasury regulations.

CAPITOL BUILDINGS

QUESTION: Last year the supplies and maintenance line under "Capitol Buildings" increased from \$196,000 to \$245,000, a 25% increase. With such a large increase, why is another \$19,500 increase necessary this year?

RESPONSE: During the preparation of the fiscal year 1983 budget request an extensive review was made of several annual maintenance accounts. The "Capitol Buildings" Supplies and Materials account was found to have been severely under-budgeted. Therefore, a large increase was requested to bring that account up to a realistic level to provide for necessary supplies and materials. The \$19,500 increase requested for fiscal year 1984 is an inflationary increase of 8%. If this increase is not allowed, then the request for fiscal year 1985 will reflect a two-year inflation deficit.

QUESTION: You are also asking for a large increase (23%) for maintenance and rental of office and computer equipment, most of which I understand is for computerization of additional functions. What functions within your office are now computerized, what does the future hold?

RESPONSE: Computer systems have been designed and implemented for the following functional areas:

- payroll;
- accounting and financial planning;
- inventory control in selected storeroom areas;
- space information showing the square footage, use and assignment of rooms in the Capitol and on the Senate Side;
- position control, job titles and pay rates;
- limited construction management functions, such as shop drawings, contract claims, punch list and occupancy tracking;
- tracking major functions of the architectural drafting operation;
- project file system to track projects;
- selected records management activities including photographs, slides and drawings.

The fiscal year 1984 budget was developed to accommodate not only the development of new systems, but also the expansion and enhancement of existing systems. Included among the major activities planned over the next year are the following:

- implementation of a personnel management system containing essential information on all Architect employees;
- extending implementation of the inventory control system to include storerooms on the Senate Side and other areas under the Architect's jurisdiction;
- expanding the space information system to office buildings and annexes on the House Side;
- system for processing and tracking the more than 8,000 purchase orders issued annually, a process that is now performed entirely on a manual basis;
- implementing modifications to the labor distribution system to permit automated consolidation of charges to respective

construction accounts of more than 150 weekly employees, a process performed manually at the present time;

- project planning and monitoring system to keep track of progress toward major milestones of construction projects;
- major redesign of the internal data management system to create a more logical data structure and permit faster enhancement of, and communication between, existing systems.

QUESTION: A number of line items for supplies are increased by 8%. Given the recent decline in inflation, do you believe you can do with less of an increase in these items?

RESPONSE: If the inflation rate continues to decline or remain at a rate lower than 8%, the fiscal year 1985 budget request will reflect the lower rate. If the Congress determines that a reduced inflation rate should be reflected for fiscal year 1984, then that adjustment could be made.

QUESTION: You are requesting funds to paint the exterior woodwork of the Capitol Building, which was last done four years ago. Has this regularly been done on a four year basis? If Congress moves ahead with extension or restoration of the West Front, what effect will that have on this request?

RESPONSE: The painting of exterior woodwork on the Capitol has been performed on a cyclical basis in the past. A four year cycle is the optimal period for a building of such historic significance. If the Congress moves ahead with extension or restoration of the West Front, \$20,000 can be deducted from the \$105,000 requested.

QUESTION: You have requested \$400,000 in FY84 to begin a four year program to replace and service air conditioning units in the Capitol. Do we face impending failure of some of these units if this reconditioning project is not concluded?

RESPONSE: Some of the units will require complete replacement due to deterioration and lack of adequate capacity to serve the needs of the occupants. Others can be patched and repaired and continued in use for a time. It is proposed that these units be reconditioned as necessary, over a period of four years, to provide a level of performance and quality similar to that of the eight central systems reconditioned with funds allowed in fiscal year 1975.

QUESTION: You have requested \$200,000 to begin purchase of a computer graphics design system, which would free present personnel from routine drafting tasks. What is the total procurement costs of this system, and over what period do you hope to obtain it? What cost and how many personnel would be required to operate and maintain it? Would the purchase result in a direct personnel tradeoff? If so, how many?

RESPONSE: In addition to the \$200,000 requested in FY 1984, another \$600,000 will be requested over the next 3 fiscal years to establish the computer graphics design system. The maintenance cost for the system is estimated to run between 10-15 percent of the capital investment, or between \$20-30 thousand per year's investment, and it will be operated by existing personnel. It is estimated that the

savings of approximately \$100,000 per year beginning in fiscal year 1986 would achieve an equipment cost pay back period of 8 years. In terms of direct personnel trade-offs, it is difficult to determine in advance a precise number, but could range from a reduction of 3-5 man-years of work. These reductions could easily be achieved by reducing the number of temporary personnel hired to perform drafting work on non-recurring projects.

QUESTION: In fiscal year 1982, Congress appropriated \$1.5 million for the purchase of Minton tile to replace century-old tile on the Senate side. What is the status of this project?

RESPONSE: The \$1.5 million project for replacement of Minton tile throughout the Capitol is in process. The manufacturer is currently making tiles to replace tiles in the Senate wing of the Capitol. This work will be performed in several stages to avoid disruption to congressional activities. The project will take several years to complete.

CAPITOL GROUNDS

QUESTION: When is the replacement of the broad walkways on the West Front expected to be completed?

RESPONSE: The current timetable for completion of the broad walkway replacement project anticipates completion of all work by September, 1984.

QUESTION: Do you remain committed to exposed aggregate sidewalks on the Capitol Grounds?

RESPONSE: The sidewalks on the Capitol Grounds have been replaced with exposed aggregate on an as-needed basis. In order to maintain aesthetic continuity, this material should continue to be used. Although more expensive to install, it has a superior wearing surface and there is no difference in maintenance cost.

QUESTION: Your estimates for resurfacing of streets in the Capitol area, and the Capitol Plaza, are down from last year. How is this possible? Which streets are in the worst shape? The Capitol Plaza does not appear to be in as bad shape as some of our streets. Could this project be deferred another year?

RESPONSE: Both the resurfacing of streets and the Capitol Plaza will be performed under one of the District of Columbia Department of Transportation's bi-annual street maintenance contracts. The cost estimates for this work were based on the most recent contract prices.

The primary concern with the Capitol Plaza is that water is penetrating to the concrete base, where it is causing structural damage. By replacing the surface at this time, the base will not need replacing. If the project is deferred again, sufficient damage to the base may occur to require its replacement, and this additional work will be very costly.

SENATE OFFICE BUILDINGS

QUESTION: What work remains to be completed on construction of the Hart Building? Is it conceivable there will be any additional available funds from construction appropriations?

RESPONSE: The following schedule lists the completion status of the authorized work on the Hart Building.

Phase I,	Temporary access.....	Complete
Phase II,	Excavations and foundations.....	Complete
Phase III,	Exterior stone procurement.....	Complete
Phase IV,	Superstructure.....	99% Complete
Phase V-A,	Interior and related work.....	99% Complete
Phase V-B,	Remaining interior and electrical work.....	99% Complete
Phase VB-2,	Remaining elevator and escalator work.....	99% Complete
Phase VB-3,	Carpet procurement and instal- lation.....	Complete
Phase VB-4,	Demountable partition procurement and installation.....	Procurement (100%) Installation (80%)
Phase VB-5,	Service fittings procurement and installation.....	Procurement (100%) Installation (80%)
Phase VB-6,	Interior stone.....	Complete
Phase VII,	Remaining work in Hart Building.....	50% Complete
Consulting services, including A/E Fees.....		Ongoing
Testing and inspection services.....		Ongoing
Construction management services.....		Ongoing

Until all construction contracts have been completed and related change orders and claims resolved, it is difficult to project that there will be surplus construction funds.

QUESTION: You have requested \$8 million for furniture for the Hart Building as a FY83 supplemental. Why is the present furniture insufficient? How much additional furniture would be needed to simply supplement existing offices? At what cost could this be done? One Committee member has criticized the cost of the furniture as being substantially above the cost of similar furniture which GSA would provide for executive branch personnel. Is this so, and why? If the Senate determines that such modular furniture is necessary, but wants to phase procurement over several years, what problems would be encountered?

RESPONSE: Although there is presently an adequate stock of furniture to provide work space for Senators and their staff, no provisions have yet been made to furnish the conference rooms and public areas and the atrium.

The present furniture is insufficient to meet the needs of both Senators and their staff and Committees. In addition, no provision has been made for providing furniture and furnishings in the atrium and other public spaces throughout the building. To meet this latter requirement, an amount of \$2,460,000 is needed. This estimate is based on utilizing the same type of furniture as is in use now.

The cost of similar furniture purchased through GSA has

been compared with the proposed system, and the total dollar value is virtually the same.

Phasing procurement over several years through the statutory competitive bidding process under which this office procures furniture could have detrimental effects. By inviting bids over several years for office systems, it is conceivable that each year a different manufacturer would be the successful bidder. This would result in having different and probably incompatible system components, each requiring its own stack of repair and replacement parts. This circumstance can be avoided by purchasing the furniture all at once, or by phasing it over several years but providing for an exemption from Section 3709 of the Revised Statutes for this procurement. This approach would enable the systems to be purchased from the same manufacturer, avoiding the problems cited above.

QUESTION: The Committee has received the views of a potential manufacturer of furniture for the Hart Building. The company argues that the specifications are unnecessarily detailed, and that this will prevent many manufacturers from bidding, which in turn is likely to drive the cost up. How does the detail of these specifications compare with that for other major Senate or House furniture purchases? Do you agree that the elimination of some detail, for example the requirement for adjustable overhead storage units, hardwood framing for acoustical panels, 14-gauge cold-rolled steel for raceway covers, and rift cut white oak veneer would permit more manufacturers to bid, and at less cost? What harm would be done by less detailed specifications?

RESPONSE: This office had also received the views of the potential manufacturer of furniture for the Hart Building, Knoll International, Inc. As stated in Knoll's communication, their comments refer only to the 1982 solicitation for bids for furniture for the model suite in the Hart building, consisting of 21 work stations (Solicitation No. 8242). Of course, specifications will only be prepared for the major procurement of furniture for the Hart building if and when funds are appropriated pursuant to the pending 1983 Supplemental Budget request.

We are, of course, pleased to have Knoll's suggestions for broadening industry opportunity to compete for this procurement. Indeed, Knoll was repeatedly invited to provide their suggestions prior to issuance of the model suite Invitation for Bids; however, none were offered until the communication mentioned, after bids were received. Further, Knoll's assertion that the unnecessarily detailed specifications made competitive bidding extraordinarily difficult appears to be contradicted by the results, in that 14 bids were received and the low bid provided work stations at a price considered to be extremely moderate in the industry. Knoll was 13th highest out of 14 bidders.

Nevertheless, we will continue to give earnest consideration to suggestions from Knoll, or any other manufacturer, subject to their effect upon attainment of the following objectives and upon the best interests of the government:

1. compatibility with the conclusions and recommendations of the Senate Office Systems Research Project as updated to reflect recent rapid changes in the state of the art in electronic business equipment;
2. provision of a standard of quality that will provide appropriate dignity, durability and reasonable life-cycle cost;

3. accommodation of the Senate's biennial need for rapid moves without damage to furniture;
4. the broadest possible opportunity for competitive bidding by manufacturers of furniture of acceptable quality with relatively economical, or no, modifications of their standard production lines.

Responses to the other questions posed follow, ad seriatim:

1. The specifications for the model suite were somewhat more detailed than those for previously procured conventional furniture for the Senate Office Buildings. This is due primarily to the much higher degree of complexity and variation in construction of modern systems furniture.
2. We agree that elimination of some detail, or more importantly, the acceptance of a broader variety of specification at the bidder's option, may permit more manufacturers to bid at less cost. For example, we agree that the specification of hardwood framing for acoustical panels should be broadened to permit steel framing at the bidder's option, and that the specification of rift cut oak veneers should be broadened to accept man-made veneers produced from real wood.
3. The harm that would be done by insufficiently detailed specifications would be the possibility of having to accept bids of manufacturers whose products fail to meet the general criteria listed above.

QUESTION: When will the current modification program to the power plant be completed? Would you expect to see a drop in coal prices, similar to that we have seen for oil? What savings might this involve for the power plant?

RESPONSE: The modifications to provide for increased chilled water capacity have been completed and are operating. The remaining work now underway includes the installation of "bag house" dust collectors, central control systems and noise abatement equipment.

The central computer monitoring and control system for energy management of steam and chilled water, to be fully effective and functional, requires that additional instruments and controls be installed in each of the buildings in the Capitol Complex. After a considerable period of trial and evaluation, we are currently ready to proceed with the installation of these instruments and controls. The additional funds required are summarized in the "Report on the Program for Energy Conservation," January 1983. The central computer control system is currently operational but will not be completed until these additional instruments and controls are installed.

We do not expect a major decrease in coal prices comparable to that currently experienced for oil. However, the current price for coal is approximately 10% less than that used when the justifications were prepared.

CONCLUSION OF HEARINGS

Senator D'AMATO. Thank you very much.

This committee stands in recess, and we will get together on this.

Mr. WHITE. At your convenience.

[Whereupon, at 11:11 a.m. Thursday, April 28, the hearings were concluded and the subcommittee was recessed to reconvene at the call of the Chair.]

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